

1 Assessing Standards Board
2 Subcommittee to Review Assessment Review Standards

3
4 **Draft**

5 **DATE:** March 24, 2023

TIME: 9:30 a.m.

6 **LOCATION:** NH Department of Revenue – Training Room, 109 Pleasant Street, Concord

7 **SUBCOMMITTEE MEMBERS**

8 (E) Excused

9
10 Robert Edwards, Chair

Betsey Patten

11 Loren Martin

Sam Greene

12 Joe Lessard

Bob Gagne

13
14 **MEMBERS of the PUBLIC**

15 No public in attendance.

16
17 Mr. Edwards convened the meeting at 9:30 a.m.

18
19 Minutes

20
21 Mr. Lessard *motioned to accept the minutes of the February 24, 2023, meeting*; Ms. Patten *seconded*
22 *the motion*. No discussion. Mr. Edwards called the motion to approve the minutes of February 24, 2023,
23 as written. *Motion passed unanimously*.

24
25 Mr. Lessard raised a few follow-up questions from the previous meeting. The first question related to
26 DRA's finding of properties receiving an exemption that do not qualify and if it is noted in the final
27 report. Mr. Greene reiterated the DRA review is of the municipality's review and not the qualification of
28 the entity or property. However, when there is a red flag, the DRA does discuss it with the municipality
29 and notes the information and conversation in the final report.

30
31 Mr. Greene requested some guidance and direction from the ASB to strengthen the review of the A-9
32 and A-12 such as the requirement of specific documentation. He added that there should be some
33 authentic evidence that a municipality has done a review of each applicant, on an annual basis, in the file
34 The difficulty comes when the entity is on the Department of Justice (DOJ) website but still does not
35 qualify and there is no other documentation on file other than the application. This standard requires an
36 annual review however the DRA has generally looked at records for the current year of the review.
37 Based on the Ossipee Order, going forward the DRA will include a review of the previous four years
38 and the current year for every property the exemption was applied for.

39
40 Mr. Lessard asked if Mr. Greene was able to determine an alternative measure for accuracy of data. Mr.
41 Greene stated that he researched IAAO standards and other states and what they do and could find no
42 alternative measure. This is currently a standard that municipalities rarely do not meet, including those
43 that do not perform a measure and list over decades. He did not find any states that require a measure

44 and list and IAAO standards recommend visiting a property every 4-6 years. He suggested changing the
45 measure of this standard from a 7.5% to a 5% change in value.

46
47 Mr. Gagne ***motioned to change the current overall standard from 7.5% to 5%***. Mr. Lessard asked what
48 the point of the change was. As no community fails this standard and there is no consequence if one did,
49 Mr. Gagne felt this would be a useful exercise to see what the results are and if any fail, compare to
50 what their efforts have been on their data. This might help to identify a relationship and determine
51 whether this is a better standard or not. Mr. Lessard ***seconded the motion***. More discussion followed.
52 Ms. Martin clarified the motion *to change the variance of the improved assessed value from 7.5% to*
53 *5%; the variance greater than 7.5% to 5% on the land and leave the variance on the total at 5%*. Mr.
54 Gagne and Mr. Lessard confirmed. No other discussion. Mr. Edwards called the motion. ***Motion passed***
55 ***unanimously***.

56
57 Returning to the A-9 and A-12, the recent BTLA Order noted that the ‘purpose’ section of the forms was
58 consistently incomplete. A suggestion was made to add the word “complete” to Standard III. C.2. and
59 C.3. A brief discussion followed. It was noted the completeness of any form filed for an exemption or
60 credit is important. Mr. Greene stated the DRA reviews the file making sure a form is there and that it is
61 complete. Mr. Gagne ***motioned to add the words “and complete” to Standard C.2. and C. 3. after the***
62 ***word ‘current’***; Ms. Patten ***seconded the motion***.

- 63
64 1. Annually, pursuant to RSA 74:2, the municipality reviews all Religious, Educational and
65 Charitable exemptions and has on file a current ***and complete*** Form BTLA
66 A-9, List of Real Estate on which Exemption is Claimed as described in Tax 401.04(b).
67
68 2. Annually, pursuant to RSA 72:23,VI, the municipality has on file a current ***and complete*** form
69 BTLA A-12, Charitable Organization Financial Statement, as described in Tax 401.01(c), for
70 all charitable exemptions.

71
72 Mr. Greene noted that many municipalities will not meet this standard in the next cycle because they do
73 not keep a five year history of these documents. It was stated this will be an important part of the
74 education going forward. Mr. Edwards called the motion. ***Motion passed unanimously***.

75
76 The subcommittee reviewed and discussed correspondence submitted by Chuck Reese, from the City of
77 Portsmouth. Relating to the A-9 and A-12, Mr. Reese suggested a data bank of entities for communities
78 to reference. The DOJ has a good list to reference however not all properties owned by these entities
79 qualify. While the filing of the form is important, it is the use of the property by that entity and whether
80 the purpose falls under the statutory requirements to qualify. Mr. Reese also suggested a requirement for
81 assessors to review each property. The subcommittee discussed this and the impact that it could have on
82 assessors. As the Order is not case law, the subcommittee did not feel it should be part of the current
83 standards. His other suggestions included modifying the sample sizes based on total number of
84 properties in a community versus the current one size fits all and tracking the date and type of the last
85 visit.

86
87 A discussion took place about data elements and the value of the standard (III. D. 2.). Data elements are
88 errors on the property record card that do not relate to value. At this time, five or more data element
89 errors would produce an advisory notice to the municipality. It may indicate bad data collecting or that a
90 property has not been visited in a long time. Ms. Patten stated the importance of having good data and
91 feels this standard is valuable in maintaining the confidence and trust of taxpayers and the process.

93 Mr. Gagne *motioned to keep the data elements standard*; Ms. Patten *seconded the motion*. Ms. Martin
94 did not feel that answered the question. If DRA is using five as the number to report, that should be the
95 standard. Mr. Gagne *amended the motion to the DRA will report on the number of parcels sampled*
96 *that have three or more data element errors*; Ms. Patten *seconded the amendment*.

97
98 D. The DRA shall determine that assessments are based on reasonably accurate data:

- 99
100 2. The level of accuracy of the data elements will be determined by the DRA by comparing
101 the information regularly collected by the municipality on a sample of property record
102 cards with the actual property. *The DRA will report on the number of parcels sampled*
103 *that have three or more data element errors*. Prior to commencement of the review
104 process, the DRA will meet with the municipality's assessing officials to obtain an
105 understanding of the municipality's data collection techniques used to determine value and
106 the data elements regularly collected by the municipality that are included on the
107 municipality's property record cards.
108

109 No further discussion. Mr. Edwards called the motion. All approved. *Motion passed unanimously*.

110
111 **Revised Standard E. USPAP**

112
113 There was a lengthy discussion on the timeliness of receipt of USPAP reports by the DRA (and
114 municipalities), the concern about the number of reports that have not been received from previous
115 year's revaluations and the efforts DRA is making to streamline the effort.
116

117 Mr. Greene explained, in the past, DRA has provided ample opportunity for assessors to comply with
118 submitting a USPAP report which, in his opinion, has gotten out of hand. There are some assessors who
119 are consistently timely in getting their reports in which in turn helps the DRA complete their review and
120 requests for additional information timely. Having USPAP reports come in late puts a burden on the
121 DRA staff to have to review and request information during busy times of the year when USPAP
122 reviews should not be a task.
123

124 Mr. Greene explained a letter was sent to about twelve assessors/contractors providing a final 30-days to
125 submit their 2022 USPAP Report. The letter notified the assessors/contractors that if a report is not
126 received within 30-days, the Department will not be able to complete its monitoring and approval of the
127 revaluation pursuant to RSA 75:-8 and relief may be sought from the Board of Tax and Land Appeals.
128 Mr. Greene stated no responses have been received to date. The letter will be mailed to the
129 municipalities within the next couple weeks. Ultimately, an RSA 75:8-a revaluation will not be deemed
130 complete until a USPAP report has been received and compliance met.
131

132 Ms. Martin reiterated her drive for the 30-day requirement, so the DRA has an opportunity to review and
133 request information, if necessary, while a contract is still in place. It makes her nervous for taxpayers
134 who may have questions and there is no report to explain their value.
135

136 There was discussion about when to copy the municipality on correspondence sent to the
137 assessor/contractor to keep them apprised. The Department has always provided an opportunity for
138 assessors/contractors to comply before notice goes to the municipality. There was a suggestion that
139 should change because the impact is on the community whose revaluation may be deemed incomplete
140 and may ordered to pay for another revaluation. Without knowing the consequences of not having a

141 complete USPAP report submitted to DRA, a community cannot be proactive to make sure the
142 requirements are met.

143
144 Mr. Greene stated the authority for the completion of a revaluation is with the Department. Timeliness
145 and compliance of the USPAP report is an ASB Standard. The consequences of not complying with
146 RSA 75:8-a are against the municipality not the assessing company. Mr. Greene appreciated the
147 comments and suggestions, and they would be brought back to the Department for consideration. Going
148 forward, timeliness of the initial USPAP report received and compliance will be reported for this
149 standard.

150
151 Mr. Edwards, from his perspective in a town, felt the appropriate people who need to know this
152 information may never get it for one reason or another and having this letter sent to the contractor first is
153 another instance for the municipality not to know what is going on.

154
155 Mr. Lessard *motioned to add “and timeliness” in Standard E. 2.*; Mr. Greene *seconded the motion.*

156
157 2. The DRA shall review these reports for compliance *and timeliness* with the most recent edition
158 of the USPAP and incorporate its findings in the assessment review process.

159
160 Mr. Edwards called the motion. *Motion passed unanimously.*

161
162 Ms. *Martin motioned to bring the recommended changes to the full Board for review and approval;*
163 Mr. Lessard *seconded the motion.* No further discussion. Mr. Edwards called the motion. *Motion*
164 *passed unanimously.*

165
166
167 Mr. Lessard *motioned to adjourn;* Mr. Greene *seconded the motion.*

168
169 Mr. Edwards adjourned the meeting at 12:22 p.m.

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171
172 Respectfully submitted,

173
174 Stephanie Martel, ASB Clerk
175 Municipal and Property Division
176 NH Department of Revenue Administration

177 All meetings are recorded and available upon request.

178 Documentation relative to the Assessing Standards Board may be submitted, requested or reviewed
179 by:

180 Telephone: (603) 230-5096

181 Facsimile: (603) 230-5947

182 Web: www.revenue.nh.gov

183 E-mail: asb@dra.nh.gov

In person at:

109 Pleasant Street, Concord

In writing to:

NH Department of Revenue

Assessing Standards Board

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