

Assessing Standards Board  
Regular Board Meeting

**Approved as written**

**DATE:** March 31, 2023

**TIME:** 9:30 a.m.

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

**BOARD MEMBERS**

*(E) Excused absence.*

Senator James Gray	<i>Vacant, Municipal Official, Towns &gt;3,000</i>
Senator Rebecca Perkins-Kwoka <i>(E)</i>	Robert Edwards, Municipal Official, <3,000
Representative Peter Schmidt <i>(E)</i>	David Marazoff, NHAAO, At-Large Member
Representative Tony Piemonte <i>(E)</i>	Loren Martin, NHAAO, Towns, <3,000
Betsy Patten, Public Member, Chair	Joe Lessard, NHAAO, Towns >3,000
Robert Gagne, NHAAO, City Official	Tom Thomson, Public Member <i>(E)</i>
Sam Greene, NHDRA Commissioner, Designee	<i>Vacant, Public Member</i>
Jim Wheeler, Municipal Official, City, Designee	

**MEMBERS of the PUBLIC**

Jim Michaud, Hudson	Chuck Reese, Portsmouth
Phil Bodwell, DRA	Ben Lafond, DRA
Lisa Mudge, DRA	Allison Auger, DRA

Chair Patten convened the meeting at 9:30 a.m.

Introductions of the Board and member of the public followed.

**Minutes**

Mr. Gagne *motioned to accept the minutes of the January 6, 2023, regular board meeting*; Mr. Edwards *seconded the motion*. No Discussion. Chair Patten called the motion to approve the minutes of January 6, 2023, as written. *Motion passed unanimously.*

**2022 Annual Report**

Mr. Edwards *motioned to accept the annual report as presented*; Mr. Lessard *seconded the motion*. There was a brief discussion and suggested edits. Edits will be submitted to Ms. Martel to incorporate into the report and will be resubmitted to the Board for review and approval at the next meeting. *The vote to approve the report was tabled until the next meeting.*

**Other**

Lindsay Courtney, Executive Director of the NH Office of Professional Licensure and Certification (OPLC), attended the meeting to answer some questions and recent concerns with current legislation.

House Bill 655 proposes moving the Assessing Standards Board (ASB) to the OPLC which should be the new Assessing Certification Board (ACB). Ms. Courtney appreciated being notified of the error as it was missed in their review, and she will be proposing an amendment to ED&A for their consideration to correct the board to the ACB. She does not anticipate any issues going forward.

Chair Patten expressed another concern relating to HB2 that changes the membership of the ACB from five members to three and making it an advisory board. Ms. Courtney stated the Governor's intent was to move boards with less than a couple hundred licensees to an advisory model to provide better protection for the State under an anti-trust immunity analysis. Due to the various conversations relating to HB2, she cannot comment on a clear direction or intent.

Ms. Courtney explained there are currently seven advisory boards that meet to make decisions and recommendations and by-and-large the agency implements them unless there is a legal basis not to, which does not happen often. The importance of a board is engagement which has been a significant issue in the past and the advisory model allows the State to continue to regulate that area in the absence of a board.

Mr. Gagne suggested he does not feel it is the wrong direction to go but he does think it is the wrong time and that it was not vetted properly. The proposal to move the process from DRA to OPLC came out of this board after a lot of thought and consideration. Had it initially been recommended as an advisory board; he does not believe the board would have moved forward with it. It was created in statute last year, is not yet operational and has been completely changed before it has had an opportunity to be implemented to see if it works. His other concern is that the change in membership removes the public member which he believes is a mistake. Certified assessors are responsible for the largest tax in the State, and he believes this new board, the way it was approved in statute, deserves the opportunity to be an independent board and not an advisory board.

Ms. Martin echoed most of Mr. Gagne's comments. She added one of the biggest issues is public trust and the perception of assessors policing assessors and HB2 removes public involvement. Changing the membership of the board without public insight she feels will be problematic. She added that assessors represent all of the taxpayers and it is important to make sure they know that we are properly qualified and certified to go into their homes and on their property to do our jobs. She believes the board, as approved in statute, needs to be given a chance to work.

Mr. Lessard and Mr. Marazoff echoed the comments made by Mr. Gagne and Ms. Martin.

Ms. Courtney thanked the members for their comments. Thinking globally, as it relates to public safety and welfare, all boards serve a unique role in protecting the public. Legally, the State has a model that renders it subject to significant liability because you have members of the profession, active market participants regulating a profession without any state oversight, that could impact competition and cause concern regarding anti-trust issues. To have state oversight, there needs to be someone that is not a member of the profession to essentially have veto power. She believes the model is intended to protect people on those boards and the State from liability issues and less about the judgement value on the importance of the professions.

The OPLC is preparing to move forward with the new board and is presently in the process of implementing a new licensing system, that assessing is included in, and they anticipate having a board and process up and running by fall. There will also be a program that will allow on-line tracking of

continuing education so they will have to look at what the education requirements are and what solutions are available that may benefit assessors. All that is left is for the board to be constituted. The OPLC has had very productive meetings with DRA. She is not aware of any applications having been received for the ACB yet. There is an on-line process to apply on the OPLC website. The OPLC vets applications and forwards to the Governor's office. Once there is a board OPLC will assist with the rulemaking process and start the transition to licensing over to us. For the time being, because the statute allowed DRA to continue until a board was constituted, it did not make sense to bring it over without that expertise of having a board.

Ms. Courtney will send the link to apply for membership on the Board. Two letters of professional reference, a resume, and a letter of interest is required. The OPLC will collect all the information and forward to the Governor's Office. Applications will be for the statutory board (HB1552) and appointed by the Governor. If it becomes an advisory board, OPLC will appoint members (HB2).

Mr. Michaud brought up the issue of reciprocity and suggested the State Statutes course is unique about the laws of NH and there may be some other things to consider about the reciprocity for assessor certification. Ms. Courtney suggested she would want to look at the statutes before making any decision on reciprocity.

#### Low-Income Housing Tax Credit (LIHTC) Subcommittee Update

Mr. Gagne reported that the subcommittee last met on April 15, 2021, where recommendations were voted on to bring to the full Board.

**Recommendation 1** - To develop a cap rate range versus a single-point estimate.

Mr. Gagne *motioned to have the Department of Revenue develop a cap rate range versus a single-point estimate*; Chair Patten *seconded the motion*. Mr. Greene clarified that it would be a range, by county. Mr. Gagne confirmed. No further discussion. Chair Patten called the motion. All approved. *Motion passed unanimously*.

**Recommendation 2** – To develop a standard matrix and criteria.

Mr. Gagne *motioned for the Board to develop a matrix and criteria for the DRA to use*; Mr. Lessard *seconded the motion*. No discussion. Chair Patten called the motion. All approved. *Motion passed unanimously*.

**Recommendation 3** – Add a line to Form PA-67 for reporting collection loss.

Mr. Gagne *motioned to add a line to Form PA-67, for reporting collection loss*; Mr. Lessard *seconded the motion*. Mr. Gagne explained this was a request by management companies and owners of these developments during discussions to report collection loss as there currently is no place to do so. He added having a separate line would be clearer than combining it with another expense. No further discussion. Chair Patten called the motion. All approved. *Motion passed unanimously*.

#### Subcommittee to Review Assessment Review Update

Mr. Edwards reported the subcommittee met four times. A draft document of proposed changes to the assessment review standards was distributed and the changes reviewed.

### Standard III. A Level of Assessments and Uniformity of Assessments

Standard III. E. 1., 2. and 3., relating to proportionality, was moved in its entirety to Standard III. A as 3., 3.a. and 3.b., to bring the statistics into one standard.

3. The DRA shall determine that assessments of various types of properties are reasonably proportional to other types of properties within the municipality. ***No ratio shall be calculated by the DRA for a particular stratum unless a minimum of 8 sales are available in that stratum. If no ratio has been calculated, the sales will not be collapsed into another stratum.***
  - a. ***By determining that the municipality's median ratios with a 90% confidence level for the following 3 strata are within 5% of the overall median ratio (point estimate):***
    - i. ***Improved residential up to and including 4-family units;***
    - ii. ***Improved non-residential; and,***
    - iii. ***Unimproved property.***
  - b. ***The DRA shall calculate the municipality's price related differential (PRD). The PRD shall be between .98 and 1.03, inclusive, with a 90% confidence level.***

Mr. Michaud asked if the draft document was made available to the public; it was not. If the intent was for the Board to approve the standards at this meeting, he requested they wait so it could be made available to the public for review and comment. He also suggested the number of assessment areas in paragraph III., be changed from six to five.

There was a question about the sentence structure in item III. A. 3. and the addition of the two sentences. It was suggested that this was not a standard, and the language was more of a description however where to place it could not be agreed up. Due to other proposed edits, it was suggested that the edits and comments be submitted to Ms. Martel to place in the document and the subcommittee will meet again to review and resubmit recommendations to the full Board.

The following proposed changes were noted as they may impact a municipality:

- III. C. 2. and C. 3. – A-9 and A-12 review. The review will include a sample of the current and previous four years of filings rather than just the most recent year. It was noted, this is a procedural change for DRA and not a change in the standard.
- III. D. 1. Data Accuracy – Threshold change for material errors from 7.5% to 5%.
- III. D. 2. Data Elements – The DRA will report on the number of parcels sampled that have three or more errors. This is advisory only.
- III. E. 2. USPAP reports are currently reviewed for compliance; going forward, it is proposed they will also be reviewed for timeliness.

### Legislative Update

HB655 proposes moving the ASB to the OPLC. Chair Patten noted this in her testimony and added that the ASB does not support the inclusion of this board under OPLC. Ms. Courtney had stated that she would put in an amendment to correct the language.

HB2, Section 256-259, amends the ACB to an advisory board and decreases its membership from five members to three, excluding a member of the public.

Chair Patten suggested the Board keep an eye on legislation and upcoming changes.

### Administrative Rules

Ms. Martel summarized the comments received from the attorneys at the Office of Legislative Services (OLS) relating to proposed rules Asb 300 various. No changes were made based on OLS comments.

Ms. Martin questioned the language in Asb 303.05 (b)(2) *c. A recent USPAP course or workshop*. The word “recent” is not defined and it was suggested changing it to something meaningful. It was also questioned that as a requirement for this level of certification if this should be the 15-hour course and not the update course or workshop. After a brief discussion, the following change was made to include in final rulemaking.

Asb 303.05 Requirements to be a DRA-Certified Property Assessor.

(b) The requirements to be a DRA-certified property assessor shall be:

(2) Signed documentation of successful completion of all requirements of:

[e] ~~b~~ c. A ~~recent~~ **15-hour** USPAP course ~~[or workshop]~~; and

Mr. Gagne ***motioned to accept the changes presented and move into final rulemaking***; Ms. Martin ***seconded the motion***. No further discussion. Chair Patten called the motion. All approved. ***Motion passed unanimously***.

Mr. Gagne ***motioned to authorize Chair Patten to approve additional changes suggested by OLS, if any, to complete the final proposal***; Mr. Lessard ***seconded the motion***. No further discussion. Chair Patten called the motion. All approved. ***Motion passed unanimously***.

### Public Comment

Mr. Michaud asked if the Board wanted to make a statement on what is being presented in HB2 to reiterate continuing support of HB1552. Mr. Gagne ***moved the suggestion***. Senator Gray suggested language to address the Board’s support of the original language in HB1552 and that it does not support the changes in HB2 and why.

After some discussion, Mr. Gagne ***amended his motion for the following statement to be presented by the Board in opposition of changes in HB2, relating to the ACB***; Mr. Lessard ***seconded the motion***.

***“The ASB opposes the changes in HB2 (2023), as they relate to the Assessing Certification Board and continue to support the language adopted in HB1552, 2022, Chapter 267.”***

No further discussion. Chair Patten called the motion. Mr. Greene abstained; all others approved. ***Motion passed with majority vote***.

Mr. Michaud mentioned that HB285, to codify the Equalization Manual into administrative rules, passed the House and has moved to the Senate. He added that the request was made by the Department. Other legislation includes:

- SB167 Adds an allowance for a payment in lieu of tax (PILOT) for green hydrogen facilities.
- HB237 Clarifies the asset measurement date for purposes of the elderly and disabled exemptions to be December 31 prior to the application for exemption. The statute is currently silent.
- HB174 Changes filing of the Intent to Cut.
- HB197 Proration of disabled and deaf exemptions for fractional interest; the law currently only recognizes fractional interest for the elderly exemption.
- SB52 Establishing a committee to review exemptions for electric charging stations.

### Meeting Schedule

#### Equalization Subcommittee

- April 10, 2023, at 12:45 p.m. at DRA

#### Subcommittee to Review Assessment Review Standards

- Monday, April 10, 2023, at 1:00 p.m. at DRA

#### Next Regular Board Meeting

- April 14, 2023, 9:30 a.m. at DRA

Mr. Gagne *motioned to adjourn*; Mr. Greene *seconded the motion*. *Motion passed unanimously.*

Chair Patten adjourned the meeting at 12:10 p.m.

Respectfully submitted,

Stephanie Martel, ASB Clerk  
Municipal and Property Division  
NH Department of Revenue Administration

All meetings are recorded and available upon request.

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

Telephone: (603) 230-5096  
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Web: [www.revenue.nh.gov](http://www.revenue.nh.gov)  
E-mail: [asb@dra.nh.gov](mailto:asb@dra.nh.gov)

In person at:  
109 Pleasant Street, Concord

In writing to:  
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