

New Hampshire Department of Revenue Administration
45 Chenell Drive, Concord, NH 03301

TECHNICAL INFORMATION RELEASE
TIR 2006-004 June 5, 2006

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Customer Service at (603) 271-2191.

NEW REQUIREMENTS REGARDING REAL PROPERTY REVALUATIONS
IN THE STATE OF NEW HAMPSHIRE

The purpose of this information release is to advise municipalities, contract assessors, and appraisal companies of new requirements regarding real property revaluations in the State of New Hampshire.

HB 1206, an act relative to the Assessing Standards Board (ASB), and the approval of appraisal contracts, became effective May 30, 2006. This bill addresses two distinct areas affecting revaluations.

First, it established an additional duty for the ASB, namely, to establish by July 1, 2006, guidelines for revaluations based on the 2005 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) Standard 6, Mass Appraisal Development and Reporting. When finalized, the Department of Revenue Administration (DRA) will be responsible for incorporating these guidelines into its current assessment review process.

For 2006, the new guidelines will not be a formal part of the assessment review process. There will be no "pass/fail", and the results of the reviews will not be used in the final reports issued to municipalities being reviewed for 2006. The DRA will report to the ASB the results of its reviews, so that the ASB will understand the degree to which municipalities and appraisal contractors are currently complying with USPAP Standard 6 in the revaluation work.

Starting in tax year 2007, all municipalities shall comply with the guidelines in conducting revaluations. The guidelines will also become a part of the assessment review process, and will be reported in the same manner as all other current criteria.

The second element of HB 1206 deals with contracting for the appraisal of property for ad valorem tax purposes. No persons, firms, or corporations intending to engage in the business of making appraisals on behalf of a municipality for tax assessment purposes may enter into any contract or agreement with any municipality without **first** submitting a copy of the contract to the Commissioner of the DRA, along with the names and qualifications of all personnel to be employed under the contract or agreement.

The DRA will review the proposed contract or agreement and make any written recommendations to the municipality within 10 working days of receipt of the contract or agreement by the DRA.

Such person, firm, or corporation shall submit a copy of the final executed contract to the Commissioner of the DRA before beginning any appraisal work.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 45 Chenell Drive, Concord, NH 03301 or by contacting them at (603) 271-2318.