

MINUTES OF THE ASSESSING  
STANDARDS BOARD

**Approved as Written**

**DATE:** May 30, 2014

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

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

**BOARD MEMBERS:**

Senator David Pierce ~ *Absent*  
Representative Priscilla Lockwood  
Len Gerzon, Public Member, Chairman  
Robert J. Gagne, NHAAO, City, Vice-Chairman  
Joseph Lessard, NHAAO, Towns >3,000  
Todd Haywood, NHAAO, Towns <3,000  
Betsey Patten, Public Member  
Vacant, Municipal Official, Towns >3,000

Senator Bette Lasky ~ *Absent*  
Representative Peter Schmidt  
Stephan Hamilton, NHDRA  
Eric Stohl, Municipal Official, Towns <3,000  
Marti Noel, NHAAO  
Thomas Thomson, Public Member  
Vacant, Municipal Official, City

**MEMBERS of the PUBLIC:**

Scott Bartlett, Goffstown  
Chris Ruel, Portsmouth  
Dan Langille, Keene  
Scott Dickman, NHDRA  
Mary Pinkham-Langer, NHDRA  
Lois Stohl

Rosann Lentz, Portsmouth  
Dave Gomez, Derry  
David Cornell, NHDRA  
Linda Kennedy, NHDRA  
Cindy Brown, BTLA

Chairman Gerzon convened the meeting at 9:30 a.m.

Introductions

**Minutes**

Mr. Gagne ***motioned to accept the minutes of the March 28, 2014, regular board meeting.*** Mr. Lessard ***seconded the motion.*** Mr. Haywood asked that a correction be made to reflect he was not in attendance at the meeting. No further discussion. Chairman Gerzon called the motion to accept the minutes of the March 28, 2014, meeting as amended. Mr. Haywood abstained. ***All others approved.***

**DRA Update – Rev 600 Rules**

Mr. Hamilton reported the Rev 600 rules were readopted with amendments by the Joint Legislative Committee on Administrative Rules (JLCAR) on April 25, 2014. An extensive and productive process was completed to redraft the Rev 600 rules to ensure the rulemaking authority of the commissioner was met within the rules pertaining to contracts for Board of Tax and Land Appeals (BTLA) ordered revaluations and the general provisions of the contracts between assessing contractors and municipalities. The department was assisted by the assessing community who provided valuable input, much of which was incorporated into the rules. The changes provide a framework for the activity to be undertaken under any contract and improved details about the process, tools and techniques that will be employed by an assessor. The rules do not require a specific set of expectations in any particular contract but instead allow for the modification of a contract in order to meet the situation between a particular community and contractor.

The department is in the process of drafting a standard template of a sample contract for a BTLA-ordered revaluation, which will contain specific language and include required provisions. The assessing community will be invited to assist with the refinement of this contract. Once complete, the department will begin to draft the

contracts for the smaller activities. The rules establish the provisions that should be found in the contract but do not specify the exact language to use, which may be different for each community. The intent of the sample contracts is to help identify where to make changes for particular circumstances and to detail the activities that will and will not be performed in the community.

Additional discussion took place about contracts and the department's review and response process.

### **Definitions Comparison**

Throughout the process of redrafting the Rev 600 rules, the department went to great lengths to improve and update the definitions to match the statutory definitions in order to remove the inconsistencies that existed. The next step is to review the Asb 300 definitions and match them up with both the Rev 600 rules and statutory definitions. A question was raised whether or not the existing process and documents would be affected due to the adoption of the Rev 600 rules. Mr. Hamilton responded there were no changes that will affect the process using the existing documents. The changes may reflect reference to rules but not the content.

A suggestion was made to assign a subcommittee to compare the definitions and have them report back to the full board. Mr. Hamilton indicated an internal draft comparison of the definitions is currently being worked on at the department and could be used as the foundation of the assignment.

Mr. Lessard ***motioned to assign a subcommittee to compare the Asb 300 definitions with the Rev 600 definitions.*** Representative Schmidt ***seconded the motion.*** Mr. Hamilton added that a couple of issues have come up pertaining to the Asb 300 rules and what is considered relevant education and experience for the different levels of certification. After a brief discussion, it was determined the two tasks would be assigned to the subcommittee to be completed individually and any rule changes be made at completion of both tasks. Mr. Bartlett suggested adding a definition for the term "assessor". No further discussion. Chairman Gerzon called the motion to assign a subcommittee to compare Rev 600 and Asb 300 definitions and review education and experience requirements. ***All approved.***

The following people volunteered for the subcommittee: Chairman Gerzon, Mr. Haywood, Ms. Patten, Mr. Gagne and Ms. Noel and a representative from the department to be assigned by Mr. Hamilton.

### **Legislative Update**

HB 1110 was passed by both the House and Senate. It was enrolled on May 22, 2014, and will become effective 60 days from date of passage. Mr. Gagne ***motioned to table the discussion of the Asb 300 definition of "sales chasing" until the next meeting.*** Representative Schmidt ***seconded the motion.*** No further discussion. Chairman Gerzon called the motion. ***All approved.***

### **USPAP Standard 6 and the PA-50 Checklist**

A lengthy discussion took place pertaining to USPAP Standard 6 and the department's method of determining compliance using the PA-50 checklist. Mr. Haywood expressed concern with some of the items on the checklist not being required by USPAP Standard 6 which could cause a report to be determined non-compliant and lead to a violation of ethics and a possible action against a person's certification.

Mr. Hamilton restated the purpose of adopting USPAP was to provide transparency and an understanding of how a mass appraisal is completed and what elements go into the development of appraisals for taxable property.

The last major revision of the checklist took place in 2010 when the department met with members of the assessing community to share the checklist, which was drafted by the department to review the results of a reassessment using one particular set of expectations, and to gain input from the people who would be writing the reports to make sure everyone was on the same page. With the development of the checklist, the department does not expect that every potential assumption or calculation will be used and included in every report but there are certain elements that should be included. At the very least a summary of the process the appraiser used in completing the valuation stated in a way the public can understand.

Mr. Hamilton stated the 2013 assessment review results would be reported at the next meeting. The results for the second cycle, 2008-2012, which is the first cycle in which the USPAP report was required, were reported. Of the 246 communities, 214 or 87% met the USPAP reporting requirement of the checklist. At this time, the department is in the process of refining the checklist to apply to the 2014-2015 reassessments. Once completed, the draft will be provided to the members of the assessing community for feedback.

Mr. Haywood stated in his opinion, USPAP compliance could be accomplished with about half of the items on the checklist. He agrees the information requested on the PA-50 is useful information but is not required by USPAP to be in the report. Pertaining to the letter sent to the towns, within the statement indicating compliance the language "based on ASB requirements" is included. Has the board adopted the requirements? Lastly, if the scope of your project does not entail information included on the PA-50, it is still USPAP compliant because you are following the scope of your project.

Mr. Hamilton stated the department is redrafting the checklist to comply with the 2014-2015 USPAP changes which include the reliance on more declarations about scope and the fundamental change in the way USPAP is structured. The three basic requirements of USPAP, the scope, a statement of what an appraiser is going to do, the recognized techniques used to achieve a credible result and a clear communication of the results of an appraisal. The checklist is meant to help everyone understand where the scope has been declared, where the technique has been applied and how the results were communicated. While there may be 60 or so elements in the checklist, not all of the elements would be found nor would they be expected to be found all of the time.

A concern was expressed about letters stating non-compliance being sent directly to towns without providing them to the individual first, and the negative impact it could potentially have on an assessor. Mr. Hamilton stated that is not the process at the department. If a report is found non-compliant, a letter is sent to the individual who completed the report giving them 30-days to provide the necessary documentation or information for compliance. Once the information is received by the department, and in most cases it is, another letter is sent to the person who completed the report and to the town indicating compliance. The department allows as much time as necessary for a municipality to achieve compliance, even after the initial 30-days. The initial process is meant to be contained however Mr. Hamilton stated the department will consider the impact of the language in the initial letter and is willing to try and find a way to communicate that a report does not meet the expectation and/or that additional information is needed.

### **Next Meeting**

Friday, August 8, 2014, at 9:30 a.m. at the DRA.

Mr. Gagne **motioned to adjourn**. Mr. Lessard **seconded the motion**.

Chairman Gerzon adjourned the meeting at 11:55 p.m.

Respectfully Submitted, Stephanie Derosier  
NH Department of Revenue Administration – Municipal and Property Division

Documentation relative to the Assessing Standards Board may be submitted, requested or reviewed by: Telephone: (603) 230-5955

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