

MINUTES OF THE
ASSESSING STANDARDS BOARD

Approved as Amended

DATE: August 8, 2014

TIME: 9:30 a.m.

LOCATION: Legislative Office Building – Room 301, 107 North Main Street, Concord NH

BOARD MEMBERS:

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

MEMBERS of the PUBLIC:

Scott Bartlett, Goffstown
Chris Ruel, Portsmouth
Scott Dickman, NHDRA
Laura Scafati, Fairpoint Communications

Rosann Lentz, Portsmouth
David Cornell, NHDRA
Cindy Brown, BTLA

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

Minutes

Selectmen Stohl ***motioned to accept the minutes of the May 30, 2014, regular board meeting.*** Ms. Patten ***seconded the motion.*** No discussion. Chairman Gerzon called the motion to accept the minutes of the May 30, 2014, meeting as written. ***All approved.***

Subcommittee Summary

A subcommittee was formed to discuss and compare the definitions of both the Rev 600 and Asb 300 rules. The subcommittee met in July to begin the effort of establishing consistency between the two sets of definitions. The next work session will be scheduled before the next regular board meeting.

USPAP Standard 6; Applicability of Standards 1 & 2

A discussion took place pertaining to whether or not the intent of USPAP Standard 6 in statute and the requirements under the ASB Standards adopted in March of 2013 encompass the reporting requirements for the appraisal of individual properties.

Mr. Hamilton summarized three (3) types of activities pertaining to the process of a revaluation of a universe of properties:

1. The valuation of the entire universe of properties within a municipality by a single entity utilizing and applying mass appraisal technique including a report explaining how values were established to comply with USPAP Standard 6.
2. The valuation of the entire universe of properties within a municipality by more than one entity, each utilizing and applying mass appraisal technique and each valuing property within the same computer assisted mass appraisal (CAMA) system. The report would include the techniques applied by each entity and the process of how values were established to comply with USPAP Standard 6.

For the activities of mass appraisal or revaluations above there is no issue; the department is receiving and reviewing reports under USPAP Standard 6 and reporting the results to the ASB.

3. The valuation of 99% of a universe of properties within a municipality for which value is developed using a CAMA system and the other 1% valued by another entity as an individual property. For the remaining 1% of properties that are not valued using a CAMA system, USPAP Standards 1 and 2 would apply.

For those individual properties not valued through a CAMA system, the department receives the reports but does not have the ability to say the report does or does not comply with a standard of USPAP and therefore cannot report results back to the ASB. The department is looking for a tool, for transparency purposes, to review the appraisals of individual properties valued outside a CAMA system. Mr. Hamilton stated, it is not now, nor has it ever been, the department's intent to impose USPAP on the universe of activity.

A discussion followed about possible solutions including a language change to the existing ASB Standards for the Standard 6 reference under III. F. that would encompass other applicable standards with which to comply with USPAP; remove reference to any individual standard and just reference USPAP; a question as whether or not a statutory change would be required and whether or not the department already has the authority to review the reports under Standards 1 and 2 and that a change is not required.

Ms. Lentz restated her concern about the added cost to the municipalities within contracts if these reports were known to be reviewed by the department to cover the cost of the defense of or additional work that may be needed in order to comply with USPAP. Mr. Hamilton responded that it is in the best interest of community to have a credible and defensible assessment of a unique property. However, compliance with USPAP does not guarantee equity and fairness of value; it is intended to clearly communicate and provide transparency into the process of how a value was developed.

It was recommended the board request comments about the potential impact from members of the assessing community in order to understand other possible consequences of a change. For the next meeting, the department was asked to report the number of communities this occurs in and how often this potential conflict takes place. In addition, proposals were requested for language changes and to define a change in RSA 21-J that would satisfy the practitioners and members of the board.

The board briefly discussed recent correspondence received pertaining to the assessing reference manual and it was decided that requested changes would be considered during the next review of the manual.

Next Meeting

Friday, September 19, 2014, at 9:30 a.m. at the DRA.

Mr. Lessard ***motioned to adjourn***. Ms. Patten ***seconded the motion***.

Chairman Gerzon adjourned the meeting at 12:04 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
Facsimile: (603) 230-5943
Web: www.revenue.nh.gov
E-mail: asb@dra.nh.gov

In person at: 109 Pleasant Street, Concord
In writing to:
NH Department of Revenue
Assessing Standards Board
PO Box 487
Concord, NH 03302-0487