

MINUTES OF THE  
ASSESSING STANDARDS BOARD  
SUB-COMMITTEE

**Approved as Written**

**DATE:** February 8, 2016

**TIME:** 9:35 a.m.

**LOCATION:** NH Dept. of Revenue, 109 Pleasant Street, Concord, NH.

**COMMITTEE MEMBERS:**

Betsey Patten, Public Member, Chairman  
Jim Wheeler, Designate, Municipal Official, City  
Stephan Hamilton, Designate, DRA Commissioner  
Representative Patrick Abrami

Representative Mark Proulx  
Eric Stohl, Municipal Official, Towns <3,000 ~ *Absent*  
Robert Gagne, NHA AO

**MEMBERS of the PUBLIC:**

Jim Michaud, Town of Hudson  
Loren Martin, Avitar  
Len Gerzon, ASB  
Ellen Scarponi, Fairpoint  
Maura Weston  
Teresa Rosenberger, Devine Millimet  
Joseph Devarenne, Concord

Scott Dickman, NHDRA  
David Cornell, NHDRA  
Bill Stafford, Granite State Tel.  
Chris Hodgdon, Comcast  
Cindy Brown, BTLA  
Kevin O'Quinn, Fairpoint

Chairman Patten convened the meeting at 9:35 a.m.

Introductions followed.

**Minutes**

The subcommittee meeting minutes of 2/1/16 were reviewed. ***Mr. Steve Hamilton made a motion to approve the minutes and Representative Abrami seconded. Motion to approve minutes as written passed.***

**Discussion of Formula**

Representative Abrami discussed his draft of H.B. 1198, which he advised was not too dissimilar to the original 1198 bill. He advised under RSA 72:8-c, he had the formula as 30 years and 20 percent floor and also read into the record the following: *"On or before July 1 of the tax year, the department of revenue administration shall provide to every municipality a schedule of telecommunications pole and conduit RCN, using national telecommunications industry standard cost data calculated annually using a 5-year rolling average."* Chairman Patten and Mr. Hamilton commented on 74:19 - what is a requirement and what is not. A lengthy discussion followed regarding concerns of what is actually there for inventory as pertains to conduits and their location, description, "when available" etc. Representative Abrami commented that 74:19 **(c)** does have to be modified. The discussion continued with comments made about the "effective date" of the bill, maps, public information etc. Mr. Bob Gagne suggested the following changes under "(a) (b) and (c)":

- Replace **(c)** with *"Best available historic data of the length, size and age of the conduit"*.
- **(d)** would become *"an accurate and detailed description of the length and size of the newly installed conduit."*

**Other Discussions**  
**Conduits, Wording, Filing date...**

Mr. Hamilton suggested: “best available historic description of conduits using information available as of effective date.” A discussion followed regarding “newly installed” and separate letters for additions/changes, base line, inventory going forward, reporting etc. Representative Abrami stated that staying with cost would be easier as they’ll be adding to cost to keep the methodology going forward. Mr. Hamilton agreed it was more practical. Chairman Patten asked about having to go through rulemaking for 74:19. Mr. Hamilton stated the Department (of Revenue) is exempt on that for their form. Mr. Gagne then suggested as additional wording for **(d)** .... “an accurate description of conduit additions, replacements and deletions in a format comparable to that established in **(c)**.” Mr. Hamilton liked the idea, and Representative Abrami agreed.

A further discussion followed with questions for and comments from the industry (including Ms. Andrea Curtis, Mr. Chris Hodgdon and Mr. Kevin O’Quinn) regarding “back up”, costs and good costs of installation, undue burden, going forward etc. Mr. Jim Wheeler advised he did not think it was unreasonable going forward to have the conduit information – felt it was “good information”. Chairman Patten spoke of **(c)** historical data and **(d)** going forward in the format that is compatible. She also stated it was her belief that if there are questions and the assessors need to know more, that’s when they sit down with telecommunications, ask the questions and get the information. If the information is not obtained, then she assumed the assessor would bring to the selectmen. Mr. Hamilton asked about a filing date, and Mr. Gagne suggested July 1<sup>st</sup>. Chairman Patten also stated that she felt it was important to have the formula under **21-J:14-b Powers and Duties of the Board** as well as the Assessing Standards Board being involved with the “annual looking”.

Mr. Jim Michaud questioned how it would be possible for the telecommunications industry to supply information (by July 1<sup>st</sup>) but also that the Department of Revenue shall provide the information to the communities (by July 1<sup>st</sup>). Mr. Hamilton clarified that July 1<sup>st</sup> the municipalities would be receiving the inventories from the taxpayers as well as the schedule from the Department, they would then make their calculations of value, report it on September 1<sup>st</sup> in the MS-1 and in November they would be sending out the tax bills. Mr. Gagne expounded and advised that the Department is not going to *report the inventory*, they’re going to give the *cost*. It would be July 1<sup>st</sup> for both the count in the inventory report and the cost from the Department, which would be plugged into a spreadsheet and then the value of the bill would be reached. Mr. Jim Wheeler, Mr. Hamilton and Ms. Curtis then discussed the pros and cons of removing the word “national” (under national average); and Representative Proulx advised it would be easier to change rules vs. changing laws. Mr. Jim Michaud requested that the record reflect that the RCN includes the installation cost of the pole and conduit under RSA 72:8-c.

**The “Year and Floor” Discussion**

A discussion followed regarding the 30 year and 20% floor between Chairman Patten, Representative Abrami, and Mr. Gagne etc. Mr. Gagne referred to Mr. Cordell Johnston’s letter, the median age of poles and his belief that 30 years is not reasonable. He agreed with the floor being 20% but felt it should be 50 vs. 30 years. Mr. Hamilton spoke of economic life vs. physical life of a pole. Mr. Scott Dickman spoke of an economic obsolescence decline and advised that he did not find support for the 50 or 70 year life of the pole. Representative Abrami stated he would not support 50 years. Ms. Loren Martin suggested a compromise of 40/20. Ms. Andrea Curtis spoke of a 36,000 pole inventory over 14 +/- towns along with paperwork she handed out. Representative Proulx recommended 35/25. Mr. Hamilton commented on 30/20, what is physical and economic depreciation over time, identifying just sales of poles etc. Chairman Patten stated that whatever is used for years/floor percentage, the numbers need to have the backup to say why. A discussion followed. Mr. Chris Hodgdon asked that the subcommittee be mindful of establishing a floor and a schedule for conduit if 30/20 is deviated from. Chairman Patten and Ms. Ellen Scarponi went back and briefly discussed the wide range problem.

***Representative Proulx made a motion for 40 year life with a 20% floor, and Mr. Hamilton seconded – 3 to 2 agreed. Mr. Gagne proposed 35 year life with a 25% floor and Mr. Jim Wheeler seconded.*** Mr. Hamilton advised that he didn’t feel there was anything wrong with the 35/25, he did feel 30/20 would be more practical. Chairman Patten asked all in favor of 35/25, 2 to 3. Mr. Gagne requested a reconsideration of the first vote as he thought he would change his vote as he believed they would have a better chance of getting the 20% floor vs. the 25% floor. Chairman Patten asked Representative Proulx if he would make a motion to reconsider.

**Representative Proulx agreed to make a motion to reconsider and Mr. Hamilton seconded. All were in favor of reconsideration. Representative Proulx made a motion for 40 year life with 20% floor and Mr. Gagne seconded. All were in favor of the motion.**

Mr. Jim Michaud asked if values were going to be equalized similar to current use and referred to RSA 79-A:5 – I. Mr. Gagne commented that he viewed it as a number they would use when doing a reval. He further advised that if they are going to set these values every year, he would think they would have to use a ratio – equalization ratio not the median ratio. Mr. Hamilton advised that if there is an adjustment to be made between locally assessed values and market value then these values should follow the same ratio – a community that is at 100% of market value would not have to adjust the value at all. He further advised that if local values are overstated by 10%, then the same relationship should exist for these properties; and similarly, if it's understated by 10% it should have that same relationship. It would go in the direction of equalization.

A discussion then followed regarding RSA 21-J:14-b (e). **Mr. Gagne made a motion to remove the last part of (e) concerning “geographic location”, and Representative Proulx seconded.** Mr. Jim Wheeler advised that he did not see how eliminating that language would necessarily preclude it. Chairman Patten advised that it would under rulemaking as well as hamper their authority regionally if not. Chairman Patten and Mr. Len Gerzon then discussed putting 21-J onto the amendment of 1198. Mr. Gerzon advised if there is resistance to this, the ASB has their own authority to seek what is the ASB's mission and can accomplish it another way for any future requests regarding value and current use issues. Mr. Gagne and Mr. Hamilton then discussed if (e) is removed, the Department of Revenue will come up with values as stated under statute but it would not be under the ASB's oversight. Mr. Hamilton confirmed that is how the law would read. Mr. Gagne then stated that Representative Abrami is correct that he can accomplish what he needs with 72:8-c without making the change; and would not be so concerned with whether it's DRA or ASB's values. Mr. Hamilton agreed but he stated that the Department believes that the appropriate finalization of these values should be through the process which involves input from the public and input from the ASB. He also stated that the Department can come up with the numbers and following through on the formula, but felt it was much better situated within a political envelope rather than just the Department's “technical determination”. Chairman Patten referred back to the motion brought by Mr. Gagne and seconded by Representative Proulx. **All were in favor.**

**Mr. Gagne moved to adjourn the meeting and Representative Proulx seconded at 12:30 p.m.**

Respectfully submitted,

Elizabeth McGill  
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) 230-5967  
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Web: [www.revenue.nh.gov](http://www.revenue.nh.gov)  
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In person at:  
109 Pleasant Street, Concord  
In writing to:  
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