

Overview of N.H. Assessing

January 30, 2020

Whitefield, NH

Samuel Greene, Assistant Director
Municipal and Property Division



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603-230-5000

Overview of N.H. Assessing

This presentation is intended for informational purposes only, and is not a substitute for seeking professional advice or for reviewing the applicable laws and rules. This presentation represents some positions of the Department on the limited issues discussed herein, based on the law in effect at the time of the presentation and Department interpretation thereof, as well as the opinions and conclusions of its presenter.

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.) for independent verification.

www.nh.gov/revenue



New Hampshire
Department of Revenue Administration

Friday, January 24, 2020

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Reminder Tool
Due by February 15th
*Meals and Rentals Tax
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Statutory Changes and Legislative Session Summary



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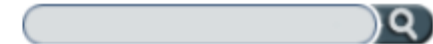
Technical Information Releases (TIRs) and Declaratory Rulings

A **Technical Information Release (TIR)** is designed to provide immediate information of changes in tax laws administered by the New Hampshire Department of Revenue Administration for the policy positions of the Department as a service to taxpayers and practitioners. A TIR 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 (ie., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.)

Declaratory Rulings, petitioned pursuant to NH Code of Administrative Rules Rev 209.02, concern a proposed, specific transaction and are issued directly to the petitioners with respect to the particular transactions and facts discussed within the ruling. Each ruling represents a holding of the Department on those transactions and facts for those petitioners only. These rulings may not be relied upon by other taxpayers. Rulings published here have been redacted to omit reference to specific petitioner names and are intended for use as guidance and have no binding authority on the Department.


- ❖ [Technical Information Releases](#)
- ❖ [Declaratory Rulings](#)

Technical Information Releases (TIRs)



A Technical Information Release (TIR) is designed to provide immediate information of changes in tax laws administered by the New Hampshire Department of Revenue Administration and for the policy positions of the Department as a service to taxpayers and tax practitioners. A TIR represents the position of the Department on the limited issues discussed therein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (ie., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.)

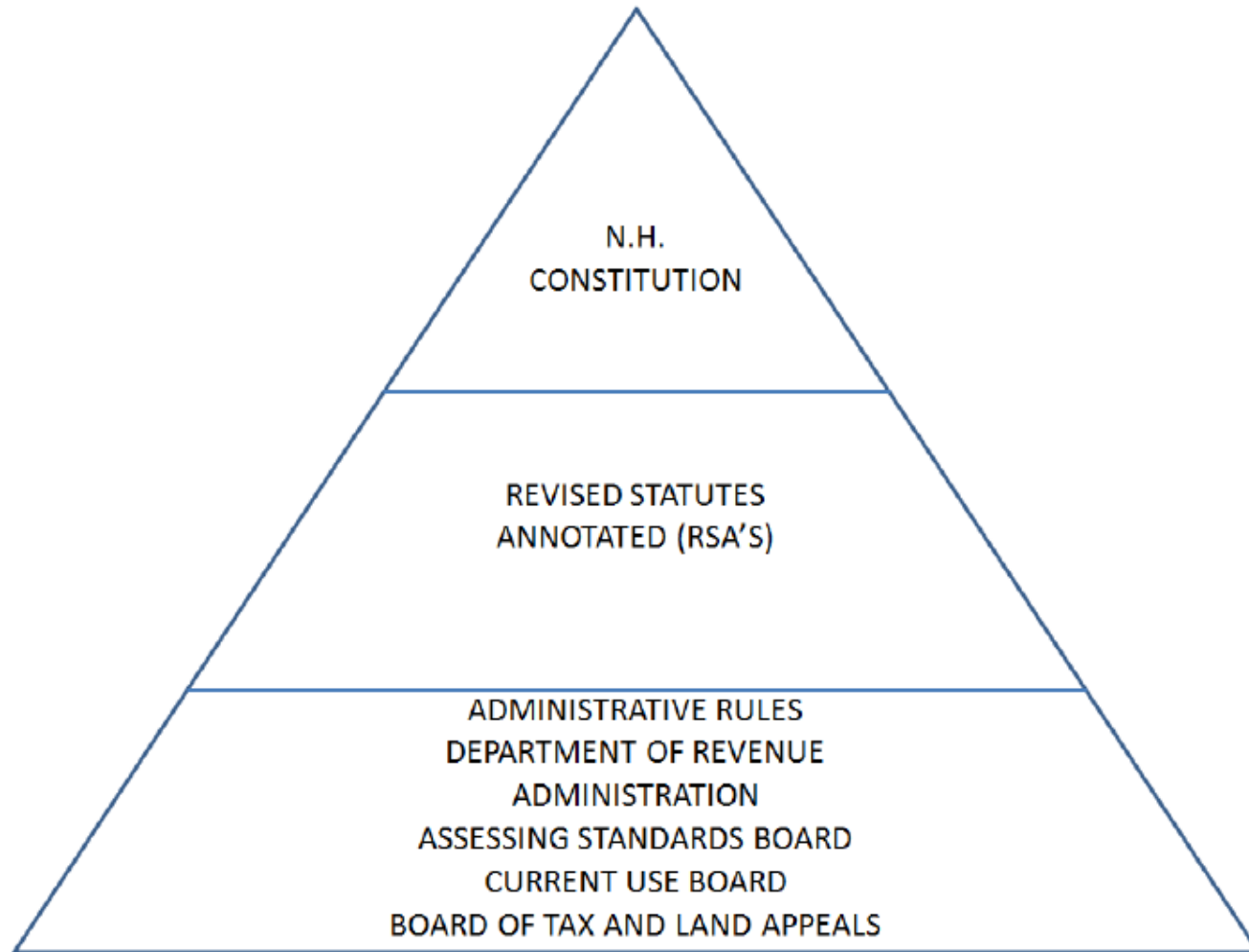
Please call the Department at (603) 230-5006 for TIRs from prior years.

All documents have been saved in Portable Document Format .

2019 TIR Number	Description of Technical Information Release
2019-008	Electronic Cigarettes Taxable Under The RSA 78 Tobacco Tax Effective January 1, 2020
2019-007	RSA 82-A Communications Services Tax Applicable to Prepaid Wireless Telecommunications Services and Voice Over Internet Protocol
2019-006	2019 Legislative Session in Review-Fiscal Years 2020/2021 State Budget
2019-005	2019 Legislative Session In Review
2019-004	Interest Rates Set for Calendar Year 2020
2019-003	Allowable Average Value of Scholarships for 2019-2019 Education Tax Credit Program Year
2019-002	New Schedule IV - Other Internal Revenue Code Reconciling Adjustments
2019-001	Education Tax Credit Program Update



Laws & Rules



Municipal and Property Division



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Municipal and Property

The mission of the Municipal and Property Division is to assure fairness, equity and proportionality in the assessment and collection of property taxes and the administration of municipal finances in the state by establishing tax rates, providing technical assistance and education to municipal officials, monitoring revaluations, reviewing assessment practices, equalizing local assessed valuation, appraising public utility and railroad property, and administering timber and gravel taxation.

Director

James P. Gerry



Municipal

The Municipal and Property Division establishes and approves municipal, school, county, state and village district tax rates. Provides technical assistance relative to taxation and finance to the over 500 political subdivisions of the state and provides general supervision over municipal tax collectors.

Other services performed include:

- ❖ Prescribing a uniform chart of accounts for all municipalities;
- ❖ Establishing a standard technical assistance manual for use by municipalities;
- ❖ Reviewing trustees reports of trust funds in conjunction with the Department of Justice Charitable Trust Unit;
- ❖ Conducting workshops and seminars for municipal officials, including selectmen, budget committees, trustees of trust funds, tax collectors, and school officials.


Property


The Municipal and Property Division also oversees the Assessment Review and Equalization bureaus and has the responsibility of:


- ❖ Monitoring revaluations and revaluation contracts
- ❖ Timber and Gravel Excavation Assistance
- ❖ Assessing Standards, Current Use, and Equalization Standards Boards administrative assistance
- ❖ Reporting on a variety of assessment information - individual municipal and/or statewide levels


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Municipal and Property - Property



The Municipal and Property Division assists and educates municipalities with the methods of appraisal and assessment of real property including exemptions and credits and current use. The division develops and produces educational classes on assessing related fields statewide. At no expense to the municipality, the division monitors revaluations for quality and accuracy and reviews assessing contracts and makes recommendations thereon to municipalities RSA 21-J:11. The division performs reviews of municipalities' assessing practices according to guidelines set by the New Hampshire Assessing Standards Board (ASB) RSA 21-J:11-a. They equalize the local assessed valuation of each municipality to bring such valuations to the full and true market value of the property RSA 21-J:3, XIII. The Municipal and Property Division appraises public utility and railroad property for the statewide public utility tax RSA 83-F as well as the railroad tax RSA 82. Municipalities may also utilize these values for their public utility property. They also administer the Gravel and Timber Taxes.

❖ [Abatements & Appeals](#)

View information about abatements and appeals.

❖ [Assessing Standards Board \(ASB\)](#)

View information pertaining to the Assessing Standards Board including the ASB Reference Manual, Assessment Review, Members, Meeting Schedule and Minutes, Statutes (RSAs), Rules and contact information.

❖ [Assessment Review](#)

Find Assessment Review reports and other information pertaining to the Assessment Review process.

❖ [Current Use Board \(CUB\)](#)

View information about the Current Use Program, including Assessment Ranges, Booklets, Members, Meeting Schedule and Minutes, Statutes (RSAs), Rules and Contact Information.










❖ [Education](#)

Find upcoming educational events, classes and mini-courses around the state in local municipalities being offered by the Municipal Property Division and other agencies and associations.

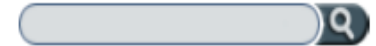
❖ [Equalization](#)

Equalization is the process by which the New Hampshire Department of Revenue Administration makes adjustments to each municipality's locally assessed values to calculate the estimated 100% market value of the municipality. View statistical reports by tax year.



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Property - Education



This page is to provide information on upcoming educational events, classes, and mini-courses the DRA Municipal and Property Division and other agencies or associations are hosting around the state in local municipalities, the New Hampshire Department of Revenue Administration, Governor Hugh Gallen State Office Park, 109 Pleasant Street (Medical & Surgical Building), Concord office, or other agency or association specified locations. [Directions](#)

Additional educational information can be found through the IAAO, NHAAO, and NREAB web links on the Municipal and Property Division's [Revaluation and Monitoring](#) page.

[Overview of New Hampshire Assessing](#) 

DRA, NHAAO, IAAO and Other Course Locations

- ❖ **NHDRA** - 109 Pleasant Street, Concord NH 03301
- ❖ **NHMA** - 25 Triangle Drive, Concord NH 03301

DRA Mini Courses

Overview of NH Assessing - [Flyer](#) | [Registration Form](#)

January 30, 2020 | 1:00 p.m. - 4:00 p.m.

Whitefield Town Hall

56 Littleton Road

Whitefield NH 03598



DRA Educational Offerings

The department offers 3-hour mini-courses specifically covering:

- Religious, Educational and Charitable Exemptions
- Exemptions and Tax Credits
- Current Use
- Excavation Tax
- Timber and Excavation Tax combined

It is recommended that you take the comprehensive State Statute Part I and Part II classes.

Current class offerings can be found on the Department website at:
<https://www.revenue.nh.gov/mun-prop/property/education.htm>

Course Outline

DUTIES OF THE:

- DRA Commissioner
- DRA Municipal and Property Division
- Assessing Standards Board (ASB)
- Current Use Board (CUB)
- Board of Tax and Land Appeals (BTLA)

GENERAL OVERVIEW OF:

- Municipal Property Assessment
- Current Use Assessment
- Assessment of the Yield Tax and Excavation Tax
- Tax Rate Setting Process

Summary of the Commissioner's Duties Pertaining To:

- Administration of assessment and taxation laws
- Assessing personnel and contracts
- Assessing Standards Board (ASB)
- Current Use Board (CUB)
- Department and administratively attached board rules:
 - Rev 400 Credits and Exemptions from Property Taxes
 - Rev 600 Property Appraisal
 - Asb 300 Certification of Assessors
 - Cub 300 Criteria for Open Space Current Use Assessment

RSA 21-J:3 Duties of Commissioner

(Summarized)

- Exercise general supervision over the administration of the assessment and taxation laws of the state and over all assessing officers in the performance of their duties
- Assure review the accuracy of appraisals by inspection, evaluation, and testing, in whole or in part, of data collected by the appraisers

Rev 601.36 “Municipal assessing officials” means those charged by law with the duty of assessing taxes and being the:

- (a) Governing body of a municipality;
- (b) Board of assessors or selectmen of a municipality; or
- (c) County commissioners of an unincorporated place.

RSA 21-J:3 Duties of Commissioner

(Summary Cont'd)

- Advising, instructing, and directing the local assessing officers as to their duties pertaining to the laws governing the assessment and taxation of all classes of property
- Directing proceedings, actions, and prosecutions to enforce the taxation laws due to noncompliance
- Recommend legislation pertaining to taxation
- Reporting of information pertaining to assessments
- Equalization of the valuation of property assessed within the state
- Conduct audits of local units of government
- Establish and approve tax rates

RSA 21-J:3 Duties of Commissioner

(Summary Cont'd.)

- Petition the board of tax and land appeals to issue an order for reassessment of property when valuation of property is disproportional, or, that the municipality has not complied with RSA 75:8-a (5-year valuation)
- Review and report each municipality's assessments

RSA 21-J:11 Appraisals of Property for Ad Valorem Tax Purposes

(Summarized)

- Every person, firm, or corporation intending to engage in the business of making appraisals on behalf of a municipality for tax assessment purposes in this state shall notify the commissioner of that intent in writing
- *No person, firm or corporation engaged in the business of making appraisals of taxable property for municipalities and taxing districts shall*
 - Enter into any *contract or agreement without first* submitting a copy to the commissioner along with names and qualifications of all personnel to be employed
 - *Begin* any appraisal work *before* the executed contract and list of personnel & qualifications has been submitted to the commissioner

RSA 21-J:11 Appraisals of Property for Ad Valorem Tax Purposes

(Summary Cont'd.)

- The commissioner, at no expense to the municipality, shall monitor appraisals of property and supervise appraisers as follows:
 - Assure appraisals comply with all applicable statutes and rules
 - Assure appraisers are complying with terms of contract or the agreement
 - Review accuracy of appraisals
 - Report to the governing body the progress and quality of the appraisal process
- The commissioner shall adopt rules under RSA 541-A relative to the:
 - Contract or agreement provisions & methods of appraisal monitoring (Rev 600 rules)

RSA 21-J:11-a Assessment Report

(Summarized)

The commissioner is charged with reporting the degree to which the municipalities achieve compliance with applicable laws and rules.

The considerations are:

- The level and uniformity of assessments within acceptable ranges as recommended by the ASB
- Assessment practices substantially comply with applicable laws and rules
- Exemption and credit procedures substantially comply with applicable laws and rule
- Assessments are based upon reasonably accurate data
- Assessments of various types of properties are reasonably proportional to other properties within the municipality

RSA 21-J:15 Municipal and Property Division (Summarized)

The director of the municipal and property division is responsible for:

- Providing technical assistance to the political subdivisions
- Performing general municipal and county audits
- Assisting the commissioner in setting tax rates
- Assisting and supervising municipalities and appraisers in appraisals and valuations
- Appraisal of state owned forest and recreation land
- Determining the total equalized value of municipalities
- Establishing technical manuals for municipalities pertaining to finance and budget matter and appraisal

Rev 600 Property Assessment

The Rev 600 rules were re-adopted by the commissioner effective May 1, 2014. Extensive changes were implemented to create a comprehensive and detailed set of administrative rules pertaining to assessing services contracts and monitoring by the DRA.

Rev 601 DEFINITIONS

- Increased from 24 to 45

Rev 602 CONTRACT SUBMISSIONS, TERMS, COMPLIANCE AND SATISFACTION

Rev 602.01 Appraisal Work Contract Submission and DRA Review.

Rev 602.02 Scope of Municipal Appraisal Work Contract.

Rev 602.03 Contract Satisfaction.

Rev 602.04 Personnel

Rev 600 Property Assessment (Cont'd.)

Rev 603 REVALUATION CONTRACT REQUIREMENTS

Rev 603.01 Revaluation Contract Requirements.

Rev 603.02 Full Revaluation Contract Services.

Rev 603.03 Full Statistical Revaluation Contract Services.

Rev 603.04 Full Revaluation and Full Statistical Revaluation
Contract Services.

Rev 603.05 Full Revaluation and Full Statistical Revaluation
Municipal Responsibilities.

Rev 604 PARTIAL UPDATE CONTRACT REQUIREMENTS

Rev 600 Property Assessment

(Cont'd.)

Rev 605 CYCLICAL REVALUATION CONTRACT REQUIREMENTS

Rev 605.01 Cyclical Revaluation Data Collection Contract
Requirements.

Rev 605.02 Cyclical Revaluation Data Collection Contract Services.

Rev 605.03 Cyclical Revaluation Data Collection Municipal
Responsibilities.

Rev 605.04 Full Statistical Revaluation of the Cyclical inspection

Rev 606 ASSESSING SERVICES CONTRACT REQUIREMENTS

Rev 607 ASSESSING SERVICES INSURANCE AND BOND REQUIREMENTS

Rev 600 Property Assessment

(Cont'd.)

Rev 608 REASSESSMENT SIZE, ADDENDUMS,
AMENDMENTS, AND APPENDIXES REQUIREMENTS

Rev 609 DRA MONITORING OF REVALUATIONS, PARTIAL
UPDATES, OR CYCLICAL REVALUATIONS

Rev 609.01 Revaluation, Partial Update, or Cyclical Revaluation
Conferences.

Rev 609.02 DRA Monitoring of Collected Data.

Rev 609.03 DRA Reporting of Collected Data.

Rev 609.04 DRA Testing and Review of Data for Revaluations
and Partial Updates.

Rev 609.05 DRA Final Monitoring Report.

Rev 610 FORMS, REPORTS AND APPLICATIONS
REQUIRED

RSA 21-J:14-e Auditing Authority

Every person, firm, or corporation making appraisals on behalf of a municipality for tax assessment purposes *shall maintain records of its appraisal activities and shall make all such records available for inspection by the commissioner or authorized agents*, upon request, at reasonable times during regular business hours. Any willful violation of the provisions of this section shall be subject to the penalties included in RSA 21-J:39. (Emphasis added).

Rev 601.35 Monitoring

The DRA monitors revaluations that are performed by independent contractors, assessing firms, or by municipal employees.

- Review the accuracy of appraisal work by inspecting, evaluating, and testing all or part of the data collected for the municipality by their appraiser(s)
- Review of compliance with the terms of a contract or in-house work plan
- Review that the appraisal work complies with all applicable statutes and rules

Rev 601.40 Revaluation

- Re-estimating the worth of real estate of the entire municipality
- Calibration of the CAMA tables and models
- Establishment of a new base year with a Uniform Standards of Professional Appraisal Practice (USPAP) compliant report
- Providing for statistical testing

Rev 601.24 Full Revaluation

- A complete measure and listing of all taxable and nontaxable properties which occurs at the same time of the establishment of the new base year to arrive at full and true value as of April 1st
- The term includes “full reappraisal” and “full reassessment.”

Rev 601.25 Full Statistical Revaluation

- The process of revaluation of all taxable and nontaxable properties using existing property data to arrive at full and true value as of April 1st
- The term includes “statistical update” and “statistical reassessment.”

Rev 601.16 Cyclical Revaluation

- “Cyclical Revaluation” means the process of combining a full statistical revaluation of the entire municipality with a Cyclical Inspection process
- Rev 601.15 “Cyclical Inspection” means the process of a systematic measure and listing of all properties within a municipality over a specified period of time. The term includes “data collection” and “data verification.”

Rev 601.38 Partial Update

- The process of analyzing market sales throughout the entire municipality to identify and implement needed value changes to affected areas, or classes of property, to bring those properties to the general level of assessment utilizing the existing base year
- An addendum shall be added to the existing USPAP report
- The term includes “partial revaluation.”

Rev 602.01 Appraisal Work Contract Submission and DRA Review

- A contract is required for any assessing services performed by a contractor who is not an employee of the municipality
- Contracts shall provide a list of personnel that will be performing the assessing function. Monitoring includes the review of the list to ensure that the personnel is certified by the DRA
- The work performed by individuals will be monitored for quality and for the scope of their duty level

RSA 21-J:14-b, I

Assessing Standards Board (ASB)

The assessing standards board shall recommend standards and appropriate legislation relative to:

- Property tax administration and real property assessments
- Assessment review and audit of municipal assessing practices by the DRA
- Reporting of USPAP compliance
- Studies of the status of assessing practices or improvement of assessing practices

Schedule of Assessment Review

- Part 2, Article 6 of the New Hampshire Constitution states in part that “...there shall be a valuation of the estates within the state taken anew once in every five years, at least, and as much oftener as the general court shall order”.
- RSA 75:8-a Five –Year Valuation: “The assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value at least as often as every fifth year...”
- RSA 21-J:3, XXVI “Review and report each municipality's assessments once within every 5 years pursuant to RSA 21-J:11-a.”

Assessment Review Areas

- Level and Uniformity of Assessment
 - Sales Ratio Study and Coefficient of Dispersion (COD)
- Assessing Practices
- Exemptions and Credits
- Assessment Data Accuracy
- Proportional Assessments
- Uniform Standards of Professional Appraisal Practice (USPAP) Compliant Report

ASB Assessment Review Chart:

<https://www.revenue.nh.gov/mun-prop/property/ar-2020/documents/ar-standards-chart.pdf>

Assessment Review Standards (*effective 2018-2023*):

<https://www.revenue.nh.gov/mun-prop/property/ar-2018/documents/ar-standards.pdf>

2020 ASSESSMENT REVIEW STANDARDS

Approved by the Assessing Standards Board (ASB) - May 11, 2018

A	B	C	D	E	F
Level and Uniformity of Assessments RSA 21-J:11-a. I.(a)	Assessing Practices RSA 21-J:11-a. I.(b)	Exemptions and Tax Credits RSA 21-J:11-a. I.(c)	Data Accuracy RSA 21-J:11-a. I.(d)	Proportionality RSA 21-J:11-a. I.(e)	USPAP RSA 21-J:14-b. I.(c)
*Median Ratio 90% - 110% inclusive with 90% confidence level	*Access All records of the municipality's assessor's office shall be available to the public unless exempted from disclosure pursuant to RSA 91-A.	*Periodic review by town RSA 72:33, VI. *At least 95% accuracy ~ Veteran's Tax Credit RSA 72:28 ~ All Veterans' Tax Credit RSA 72:28-b ~ Tax Credit for Service-Connected Total Disability RSA 72:35 ~ Certain Disabled Veterans Exemption RSA 72:36-a ~ Blind Exemption RSA 72:37 ~ Disabled Exemption RSA 72:37-b ~ Deaf Exemption RSA 72:38-b ~ Elderly Exemption RSA 72:39-a, b	*Material Errors 90% of property record cards shall be free of material errors	*Median Ratio With 90% confidence level for all three strata within 5% overall median point estimate ~Improved residential ~Improved non-residential ~Unimproved property	*Verify USPAP Compliant Report based on the most recent edition of USPAP shall be submitted to DRA within 30 days of the submission of the DRA MS-1 Report.
*Verify COD (Coefficient of Dispersion) of median ratio not greater than 20 (without the use of a confidence interval)	*Annual List RSA 74:1 90% of the Sample shall reflect April 1 value and reflect construction done by April 1 and not after.	*Annual List RSA 72:23-c and RSA 74:2 Religious/Educational/Charitable 95% of the sample shall be annually reviewed and have on file the provided forms by Board of Tax and Land Appeals (BTLA A-9 Form)	*Data Elements Verify the accuracy of data elements and report to the ASB	*Verify PRD (Price Related Differential) shall be between .98 and 1.03 inclusive with a 90% confidence level	
	*Have revised Inventory Program RSA 75:8	*Charitable Organizations RSA 72:23, VI. Shall annually file on a form prescribed and provided by Board of Tax and Land Appeals a statement of its financial condition (BTLA A-12 Form)			
	*Current Use RSA 79-A:5 85% of the Sample shall have: ~ Form A-10 timely filed ~ Form CU-12 timely filed ~ Valued per Cub 304 ~Land Use Change Tax				
	*Appraisal Contracts to DRA RSA 21-J:11 Shall be submitted prior to start and shall include personnel in contract or agreement				

Level and Uniformity of Assessments

DRA Assessment to Sales Ratio Study

- The DRA conducts annually an assessment to sales ratio study for each municipality as part of the state-wide equalization process
- The study compares the assessed value of the property to its selling price
- Statistics are generated from Equalization data base that are indicators as to the level, uniformity, and proportionality of the assessed values

Level and Uniformity of Assessments

(Cont'd.)

The ASB has set the acceptable level of assessment (Median Ratio) between:

.90 – 1.10 with a 90% confidence level

An example of calculating a single ratio:

Assessed Value (A/V) = \$90,000

Selling Price (S/P) = \$100,000

$\$90,000 \div \$100,000 = .90$ (or 90%)

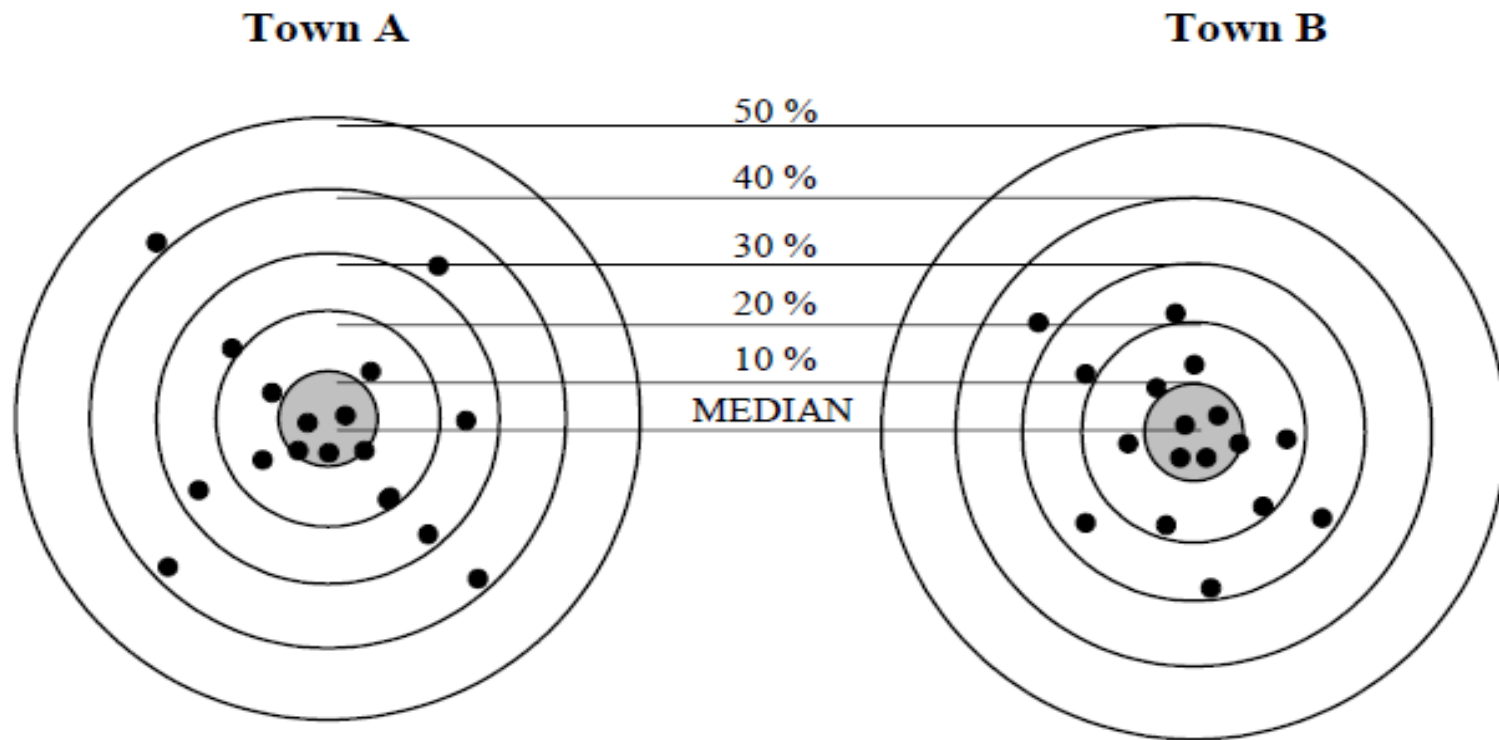
It can be said the assessed value is 90% of market value (the selling price)

Level and Uniformity of Assessments

(Cont'd.)

- The ASB has set the acceptable level for the COD of the median ratio not greater than 20% without the use of a confidence interval.
- The COD is a measure of the uniformity of the assessments.
- The calculation of the COD is part of the DRA equalization process.

Example of Two Coefficients of Dispersion



25 Coefficient of Dispersion

15 Coefficient of Dispersion

Each dot represents one individual assessment/sales ratio.

Assessment Practices

RSA 91-A: Access to Governmental Records and Meetings

- DRA reviews to see if the appropriate records of the municipality's assessing office are made available to the public pursuant to RSA 91-A.
- DRA also reviews whether any inappropriate records are retained (e.g. personal or financial information, social security numbers, tax returns, etc.)

Assessment Practices (Cont'd.)

Assessments as of April 1st

- 90% of the property records reviewed in a sample should reflect the assessment as of April 1st and should not reflect new parcels or new construction that did not exist as of April 1st
- The DRA monitors by obtaining a sampling of the properties for which building permits have been issued and physically inspect the properties

Assessment Practices (Cont'd.)

RSA 75:8 - Revised Inventory

- Annually assessors and selectmen shall adjust assessments to reflect changes so that assessments are reasonably proportional
- DRA reviews to ensure that assessments are being adjusted for physical changes, ownership, zoning, abatements, boundary line adjustments, sub-divisions, etc.

Assessment Practices (Cont'd.)

RSA 79-A:5 – Assessment of Open Space Land:

- 85% of Current Use (CU) parcels must meet criteria:
 - Have A-10 Application and CU-12 Stewardship filed timely
 - Meet CU criteria
 - Values assessed in accordance with Cub 304
- Land Use Change Tax (LUCT) Procedures:
 - Tax assessed and collected
 - Property record card (PRC) corrected to reflect acreage change
- The DRA samples the CU properties and reviews the information in the property record file.

Assessment Practices (Cont'd.)

RSA 21-J:11 – Appraisal of Property for Ad Valorem Tax Purposes

Contracts:

The DRA confirms that the appraisal service contracts or agreements for the review year have:

- Been submitted to the DRA prior to the work commencing
- Include the names of all personnel to be employed under the contract

Exemptions and Credits

RSA 72:33, VI - Periodic Review

- A periodic review should be done at least once every assessment review cycle of all exemptions and credits with at least 95% accuracy
- The municipality should have the approved forms on file for the exemption or credit – (PA-29, BTLA A-9 , BTLA A-12)
- The DRA will sample the exemptions and credits and check the assessment files for the areas indicated on the worksheets

Tax Exemption vs. Tax Credit

What is the difference between an exemption and a credit?

RSA 72:29, III and IV provide the answers:

- III. “Exemption” as used in RSA 72 shall mean the amount of money to be deducted from the assessed valuation, for property tax purposes, of real property.
- IV. The term “tax credit” as used in RSA 72 shall mean the amount of money to be deducted from the person’s tax bill.

Exemptions and Credits

PERSONAL - based upon applicant's qualifications:

- Veterans
- Elderly
- Blind
- Deaf, Etc.

TAX EXEMPT - based upon class and use of property:

- Religious
- Charitable
- Schools
- Municipal, Etc.

PROPERTY QUALIFIED – specific components:

- Pollution control
- Portions of ski lifts
- Disability improvements
- Residence in a commercial zone, etc.

Accuracy of Data

- The level of accuracy of the data elements regularly collected by the municipality, and shown on the property record cards (PRC's), are compared to the physical property
- 90% of the PRCs reviewed must be free of material errors
- Material error is one or more errors/missing items that exceed 5% of the total assessed value or 7.5% of land only or building only

Proportionality

The “DRA Assessment to Sales Ratio Study” generates a PRD for the municipality.

- Price Related Differential (PRD) is a statistical analysis that measures the difference in appraisals between high and low valued assessments by dividing the mean ratio by the weighted mean ratio
- The calculated PRD is reported to the ASB as part of the assessment review process

Proportionality (Cont'd.)

- ASB established standard for the PRD is a range from .98 to 1.03 with a 90% confidence level.
- PRD is a test to see if high valued property assessments are proportional to low valued property assessments

Example: A PRD of 1.12 indicates that high valued properties may be under assessed when compared to low valued properties.

USPAP Compliant Report

- A report based on the most recent edition of USPAP shall be submitted to the Municipality and the DRA for each full revaluation, partial revaluation, cyclical revaluation, or statistical update
- The DRA will verify that the USPAP Report is compliant utilizing a checklist PA-50
- The DRA shall report to the ASB and the Municipality on its findings

RSA 21-J:14-f, I Certification Required

“**Every person**, whether working individually, for a firm or corporation, or as a municipal employee, making appraisals of a municipality for tax assessment purposes, except elected officials making appraisals pursuant to RSA 75:1, **shall be certified** by the department according to rules adopted by the assessing standards board as provided in paragraph II... ..” (Emphasis added)

RSA 21-J:14-b, I-a Powers and Duties of the Board

“The assessing standards board shall adopt rules, pursuant to RSA 541-A, relative to:”

Establishment of standards for assessing officials pertaining to:

- Certification standards
- Continuing education standards
- Revocation, suspension, and other disciplinary standards and sanctions
- Definition of, and practices that constitute sales chasing and penalties for committing or being a party to sales chasing

The DRA is responsible for the enforcement of the standards adopted by the ASB .

Certification by DRA

The Municipal and Property Division maintains the records for assessing certification and approves individuals based upon the ASB rules and the individual's qualifications.

The list of DRA-Certified assessing personnel is available at the DRA website. The list provides the level at which the individual is approved.

The ASB rules specify the requirements for each certification level and also describes the specific allowable job duties.

Asb 307.02 - Types of Misconduct (summarized)

- Deceit-fraud, bad faith falsification in procuring DRA certification
- Allowing non-certified individuals to perform work or work above their certified level
- Negligent/willful acts inconsistent with health or safety of persons under their supervision
- Violation of NH property assessing statutes or Asb 300 or Rev 600 rules
- Suspension or decertification in another jurisdiction
- Breaching a duty of confidentiality
- Conviction in past 5 years (or since last certification) of class A misdemeanor or felony
- Not notifying DRA within 10 days of suspension or decertification from other sources
- Not including information about suspension/decertification prior to becoming DRA-certified

RSA 21-J:14-g, I Decertification

“The commissioner may decertify any person or may refuse to issue or renew any certification for failure to comply with the rules of the assessing standards board adopted pursuant to RSA 21-J:14-f, II.”

Paragraph II of this section states that any person aggrieved by a decertification, or refusal to certify, may appeal to the B.T.L.A. or superior court.

RSA 21-J:14-k Cessation of Unauthorized Appraisals

“The commissioner, or the commissioner’s authorized agents, may issue a written cease and desist order against any person, firm, corporation, or municipality that does not comply with RSA 21-J:11, I, or RSA 21-J:14-f. Any such act may be enjoined by the superior court, upon application of the attorney general.”

RSA 21-J:11, I refers to the contract requirement.

RSA 21-J:14-f refers to the certification requirement.

RSA 21-J:39, IV Criminal Penalties

- “(a) No person, except elected officials making appraisals pursuant to RSA 75:1, shall willfully engage in making appraisals of a municipality for tax purposes, unless such person is certified as provided in RSA 21-J:14-f .
- (b) No person engaged in making appraisals of a municipality for tax assessment purposes shall willfully fail to maintain and provide the department access to the records required to be kept under RSA 21-J:14-e.
- (c) Any person who violates subparagraph (a) and (b) shall be guilty of a class B misdemeanor.”

Municipal Assessing Duties

- The assessing office is the “Bread Winner” for the municipality
- Incorrect assessments, disproportionate assessments, missed taxable property, improper exemptions & credits all affect the municipal “revenue stream”
- Loss of revenue will result in higher tax rates to meet budgetary requirements.
- Understanding how it all works is the starting point to an efficient and effective assessing office. It will never be totally error free

Municipal Tax Maps

- Accurate tax maps help to ensure accurate assessments.
- RSA 31:95-a stipulates the statutory requirements for tax maps. A copy of the RSA has been enclosed
- In the valuation of property, it is essential to know about the land, zoning, permitted uses, restrictions, etc. Updated zoning maps and town regulations are tools that are needed for proper assessments
- Any changes done by the Planning Board (sub-division regulations, land use regulations, sub-division approvals, boundary line adjustments, etc) affect the assessing office. Open communication between the two offices is essential

Maps – A Visual Guide to Valuation

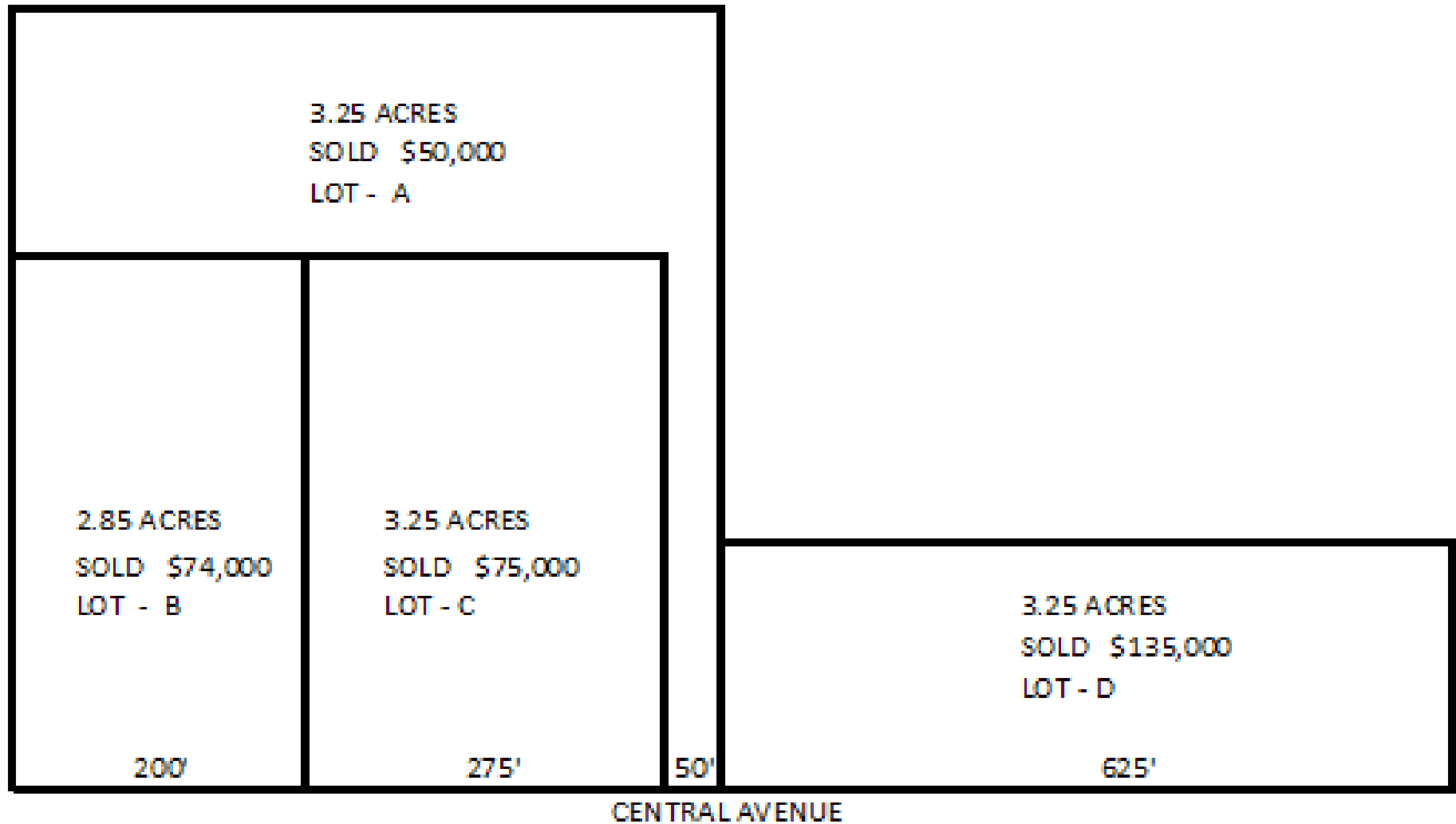
- Four vacant parcels of land have recently sold on Central Avenue. The lots abut each other, each have the same general topography and all have road frontage.
- Can you tell why the sale prices are so different for about the same number of acres?

Lot A - 3.25 acres Sold: \$50,000

Lot B - 2.85 acres Sold: \$74,000

Lot C - 3.25 acres Sold: \$75,000

Lot D - 3.25 acres Sold: \$135,000



ZONING: IN ORDER TO SUB-DIVIDE NEED 200' FRONTAGE AND 1 ACRE

Maps – A Visual Guide to Valuation

- Four parcels of land have recently sold on Lakeshore Drive. The lots abut each other, have the same general topography, and all have 200 feet of road frontage.
- Can you tell why the sale prices are so different for the same number of acres?

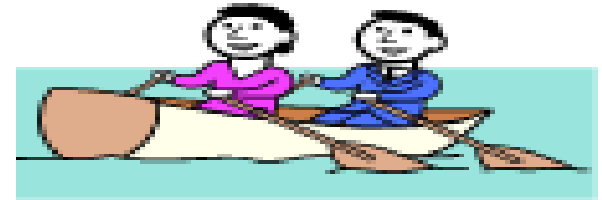
Lot A - 2 acres Sold: \$525,000

Lot B - 2 acres Sold: \$800,000

Lot C - 2 acres Sold: \$150,000

Lot D - 2 acres Sold: \$75,000

GOLDEN POND



LOT - A

SOLD \$525,000

2 ACRES

200'

LOT - B

SOLD \$800,000

2 ACRES

200'

LAKESHORE DRIVE

200'

SOLD \$150,000

2 ACRES

LOT - C

200'

SOLD \$75,000

2 ACRES

LOT - D

C.A.M.A.

What is “C.A.M.A.” ?

“*Computerized Assessments Magically Appear*” ☹️ No

“*Computer Assisted Mass Appraisal*” 😊 Yes!!

Note the emphasis on “Assisted.” The computer program that is used to produce your assessment cards is only as good as the information that is put into it.

It is essential to understand the “inner workings” of the program and know how the tables interact.

Lack of understanding of the C.A.M.A. system has resulted in disastrous revaluations and partial updates.”

C.A.M.A. (Cont'd)

Rev. 602.04 Personnel. All revaluation, partial update, and appraisal work contracts shall:

(c) “Specify that the contractor shall:

- (2) For a revaluation or partial update contract, certify that a DRA-certified assessor supervisor assigned to work under the contract is proficient in the use and the calibration of the CAMA system that shall be used to appraise property;
- (3) For a revaluation, partial update, data collection or assessing services contract, certify that the individual(s) assigned to perform data entry is(are) proficient in the use of the municipal CAMA system.” (Emphasis added).

C.A.M.A. (Cont'd)

Very important to remember: At the end of the tax year, after the final tax bills have been mailed, a “snapshot” of the CAMA database should be saved and the permissions should be locked down to prevent changes.

This will be your history of the assessments for that tax year. If there is an appeal of the assessment, you will want to be able to reprint the assessment information for the value being appealed.

RSA 79-A Current Use

- The legislative purpose of Current Use (CU) was the preservation of open space – to maintain the character of the state's landscape – and to conserve land, water, forest, agricultural and wildlife resources.
- The assessed value per acre for CU is based upon the use of the land as Farm, Forest, Wetland or Unproductive. The per acre rates for Farm & Forest are based upon the income producing capability of the land.
- When a person puts their land into CU it creates a recorded contingent lien on the property. Once the land is classified as CU, it cannot be taken out of CU by the owner. The land only comes out if it becomes disqualified.

RSA 79-A Current Use (Cont'd.)

- As with your other assessing records and tax maps, accurate information on the land in CU, (and land not in CU = NICU), is essential for proportionate assessments
- Poor record keeping and the “misadministration” of CU has resulted in the loss of thousands of dollars of revenue to municipalities
- Not in current use land does not “float” around the property! The CU land is suppose to be marked by “identifiable boundaries upon the ground.” Cub. 302.03.
- This has been a large problem with excavation sites that have CU land. They need to be physically reviewed yearly

RSA 79-A Current Use (Cont'd.)

“Unproductive Land” includes wetlands. The CU definition of wetland is not the same as the Department of Environmental Services wetland definition. It is unproductive by “its nature” – not man-made.

The CU law at one point in time had close to 20 categories of land. This was consolidated in the 80's. Hundred's of acres were thrown into the unproductive category at that time.

**RUN A QUERY AND REVIEW YOUR CU FOR LARGE
ACREAGE IN UNPRODUCTIVE**

Common CU Assessing Errors

- Non-CU land annexed to CU parcel by boundary line adjustment - Assessed as CU
- Buildings “Picked Up” – LUCT not assessed
- Lot conveyed – other lots disqualified – LUCT not assessed
- Excavation sites: Assessors using the Notice of Intent to Excavate information to assess the property
 - The information provided by the property owner may not be accurate
 - Excavations are a moving target that need to be physically reviewed yearly
 - The LUCT is based upon the intent volume, not including the remaining volume still in the ground
 - The NICU land floating around the property

RSA 79 – Forest Conservation and Taxation

- Timber is taxed at the time it is cut: “Yield Tax” is 10% of stumpage value. (Value of timber standing on the stump)
- Prior to cutting wood, a PA-7, Notice of Intent to Cut must be signed by the assessing officials
- Assessing officials have 30 days to sign the intent and forward it to the DRA
- Assessing officials must notify the tax collector of the signed intent
- Assessing officials may decline to sign due to:
 - Improper or incomplete form
 - Land to be cut is in CU unproductive
 - No timber bond posted “if required”
 - All owners of record have not signed

RSA 79 – Forest Conservation and Taxation (Cont'd.)

Exemptions from the intent to cut:

- 10 MBF saw logs and 20 cords fuel wood for personal use by the owner.
- 10 MBF saw logs and 20 cords of wood or equivalent in tree chips for land conversion when all permits are in place.
- Shade and ornamental trees
- Christmas trees, fruit trees, nursery stock and short rotation tree fiber.
- Any amount of firewood for maple syrup production.
- Any government or utilities not selling the wood.

RSA 79 – Forest Conservation and Taxation (Cont'd.)

Upon receipt of the report of timber cut, the assessing officials have 30 days to assess the yield tax

- The DRA sends out surveys to establish the stumpage value ranges. The stumpage value sheets are published twice per year. They are available on the DRA website
- The report of timber cut indicates when the cutting ended. This will assist in determining which stumpage price sheet to use
- The assessing officials are not required to use the stumpage value sheets if they have other evidence of value
- If the stumpage price sheets are being used, a straight 50% of the value estimate is not appropriate. The percentage used should be based upon quality, location, size of cut, and other factors that may affect value

RSA 79 – Forest Conservation and Taxation (Cont'd.)

- “TIMBER MATRIX” - DRA has a sample matrix to use for timber valuation
- “YIELD TAX BILLING” - DRA has a “spreadsheet” that can assist the municipality in the billing process. The same spreadsheet can be utilized in the estimate of a timber bond. Now available on our website
- “CERTIFICATION OF YIELD TAX” - The assessing officials are required to certify to the DRA the amount of timber billed

NEW TIMBER RULES !!! Rev. 3400. *Effective 8-21-2019*

RSA 72-B – Excavation Tax

- Law effective January 1, 1998. \$.02 (cents) per cubic yard.
- The legislature stated that RSA 72-B must be read in conjunction with RSA 155-E. Land area that is used for commercial excavation must have all local and state permits in place
- Excavation of earth for incidental projects are subject to RSA 72-B if more than 1,000 cubic yards will leave the property
- The assessing officials may decline to sign the intent for non-compliance with RSA 155-E, RSA 485-A:17, RSA 72-B:5 or RSA 79-A within 30 days of receipt of the intent. Must follow Rev. 503.01
- The Notice of Intent to Excavate is not an excavation permit. It is a tax document. It is not a RSA 155-E enforcement tool

RSA 72-B – Excavation Tax (Cont'd.)

- If a property for which an Intent has been filed is sold, the previous owner needs to file Report of Excavated Material and the new owner needs a new Intent and administration fee
- Upon receipt of the Report, assessing officials have 30 days in which to assess the tax
- Tax Collector needs to be notified that the Intent has been filed. Contingent lien on property for Excavation Tax
- The Report of Excavated Material is not available on the DRA website. They must contact DRA for a duplicate copy
- RULES: Rev. 500
- Dimension Stone – not the same as earth. This type of quarry is taxed under RSA 72:13. Assessment can contain the value for the minerals contained in the ground

RSA 72-B – Excavation Tax (Cont'd.)

- The property tax assessment for the land area utilized for a commercial excavation shall not contain the value of the earth. It should be noted that the excavation and processing of earth is a highly regulated commercial/industrial activity. In assessing the property, it must be a legal and permitted use. The assessor needs to know the amount of “permitted” land area in determining the assessment of the property.
- The assessor cannot determine the value or excavated area of the property from the office using the intent to excavate form. Yearly physical inspections are a must.
- Aerial photographs and GPS are other tools that can assist in the valuation of the property.
- Earth may not be exempt from a LUCT. The plans that are submitted for local and state permits can be essential in determining the proper LUCT assessment.

RSA 21-J:9-a Equalization Procedure

Not all municipal assessments are at 100% of market value due to the ever changing real estate market. The local assessed value of all taxable property minus specific exemptions is the “modified” assessed valuation.

The “modified” assessed values are equalized to bring all municipalities to 100% of market value for the purpose of:

- Apportionment of county taxes
- Apportionment of state education property tax
- Apportionment of regional/cooperative school taxes
- Apportionment of other shared expenses such as waste facilities and mutual aid fire costs

Ratio Study

The DRA annually conducts a sales-assessment ratio study for each municipality as part of the equalization process. The study compares the assessed value of the property to its selling price.

The DRA Equalization program is utilized for the annual sales ratio study. The DRA obtains electronic copies of the municipal assessment database each year. The program matches the municipal assessment parcel information to the electronic sales information obtained from the registry of deeds.

Updated tax map information is also obtained from the municipality to update the tax map overlay.

Ratio Study (Cont'd.)

The municipality continues to provide information to the DRA as to why a sale may need to be excluded, the reason for a change in assessed value, the property code “strata” category, etc.

After a thorough review of the municipal information by the equalization staff, the statistics are calculated. The ratio is used to “equalize” the assessments.

The statistics that are generated from the ratio study are also indicators as to the level, uniformity, and proportionality of the assessed values within the municipality.

Also on the DRA website

<https://www.revenue.nh.gov/mun-prop/property/equalization-2018/index.htm>

Exemptions and Tax Credits Reports

- ❖ [Summary of All Exemptions & Tax Credits, Alpha Order](#) 
- ❖ [Summary of All Exemptions & Tax Credits, County Order](#) 
- ❖ [Summary of All Exemptions & Tax Credits](#) 
- ❖ [Blind Exemption Report](#) 
- ❖ [Blind Exemption Report](#) 
- ❖ [Deaf Exemption Report](#) 
- ❖ [Deaf Exemption Report](#) 
- ❖ [Disabled Exemption Report](#) 
- ❖ [Disabled Exemption Report](#) 
- ❖ [Elderly Exemption Report](#) 
- ❖ [Elderly Exemption Report](#) 
- ❖ [Veterans' Tax Credit Report](#) 
- ❖ [Veterans' Tax Credit](#) 

Setting of Tax Rates by Commissioner

RSA 21-J:35, I. The commissioner of revenue administration shall compute and establish the tax rate of each town, city, or unincorporated place.

- 259 Municipal Rates
- 259 School Rates
- 259 State Education Rates
- 259 County Rates
- 114 Village Districts Rates
- Total of 1,150 Individual Rates
- Accuracy Rate: 99.91%
- Review 6,500 Tax Rate Documents

Board of Tax and Land Appeals (BTLA)

The general duties and powers of the BTLA are stated in RSA 71-B.

BTLA may hear and determine:

- All matters involving questions of taxation
- Appeals by municipalities relating to the equalized valuation of property as determined by the DRA
- All matters relating to condemnation of property for public uses and assessment of damages. RSA 498-A Eminent Domain
- All matters relating to orders for reassessment
- Each “Matter” has its own statute in which the appeal deadlines are specified. The BTLA website has a table of filing deadlines

Board of Tax and Land Appeals (Cont'd.)

Property Tax Appeals:

- Must be filed with the municipality by March 1 (as long as final tax bills were sent by 12/31).
- The municipality has until July 1 to either deny or grant the appeal.
- If the municipality refuses to abate, or fails to respond by July 1, the taxpayer has until September 1 to file with either the BTLA or superior court. Cannot appeal to both within same tax year.

Important recommendation:

As deadlines approach, the envelope that the appeal or application was mailed in should be kept. Timely filing is determined by the date that it was mailed, not the date that the municipality received it. Hand delivered appeals and applications should be date stamped and initialed.

THANK
YOU
FOR
ATTENDING