



GOVERNANCE OF ASSESSOR

- State of NH Constitution
- NH State Statutes (RSA)
- State Supreme Court Case Law
- NH Assessing Standard Board Rules
- NH Department of Revenue Rules
- Professional Code of Conduct (USPAP)
- Good Assessment Practices (IAAO)



NH State Constitution

Part 2 Article 6

“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

- **RSA 75:8 Revised Inventory. –**

I. Annually, and in accordance with state assessing guidelines, the assessors and selectmen **shall** adjust assessments to reflect changes so that all assessments are reasonably proportional within that municipality. All adjusted assessments shall be included in the inventory of that municipality and **shall be sworn to in accordance with RSA 75:7.**

II. Assessors and selectmen shall consider adjusting assessments for any properties that:

- (a) They know or believe have had a material physical change;
- (b) Changed in ownership;
- (c) Have undergone zoning changes;
- (d) Have undergone changes to exemptions, credits or abatements;
- (e) Have undergone subdivision, boundary line adjustments, or mergers; or
- (f) Have undergone other changes affecting value.



RSA 78:8-a

- **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**, beginning with the later of either of the following:

I. The first year a municipality's assessments were reviewed by the commissioner of the department of revenue administration pursuant to RSA 21-J:3, XXVI and the municipality's assessments were determined to be in accordance with RSA 75:1; or

II. The municipality conducted a full revaluation monitored by the department of revenue administration pursuant to RSA 21-J:11, II, provided that the full revaluation was effective on or after April 1, 1999.



RSA 75:8-b

- **RSA 75:8-b Annual Appraisal; Municipalities Over 10,000. –**

Except when assessing real estate under RSA 75:8-a, any municipality with a population over 10,000 as determined pursuant to RSA 78-A:25 [intending to appraise real estate annually at market value](#), as defined in RSA 75:1, shall authorize such annual appraisal by a majority vote of the governing body. The governing body shall hold 2 public hearings regarding the annual appraisal process at least 15 days, but not more than 60 days, prior to the governing body's authorization vote. Any municipality with a population over 10,000 as determined pursuant to RSA 78-A:25 annually appraising real estate at market value shall provide notification of changes to the assessed valuation prior to the issuance of the final tax bill, either by individual notice to the property owner, by public notice in a newspaper of general circulation, or by any other means deemed appropriate by the governing body.

RSA 21-J:11

Department of Revenue Administration – In Part

- I. The commissioner shall report the degree to which assessments of a municipality achieve substantial compliance with applicable statutes and rules. The commissioner may consider whether:
 - Level of assessments and uniformity of assessments are within acceptable ranges as recommended by the assessing standards board by considering, where appropriate, an assessment-to-sales-ratio study conducted by the department for the municipality;
 - Assessment practices substantially comply with applicable statutes and rules;
 - Exemption and credit procedures substantially comply with applicable statutes and rules;
 - (d) Assessments are based on reasonably accurate data; and
 - (e) Assessments of various types of properties are reasonably proportional to other types of properties within the municipality.
- II. The commissioner shall issue a copy of the report upon its completion to the municipality and to the assessing standards board. The report shall be completed after the completion of the equalization of property valuations conducted pursuant to RSA 21-J:3, XIII. When issued, the report shall be a public document.
- III. The assessing standards board shall study and recommend to the legislature whether municipalities should be reimbursed for expenses incurred as a result of changes in assessment practices resulting from legislation enacted in response to
 - *Section VII – cont.*
 - the judicial interpretation of part 2, article 6 of the New Hampshire constitution in *Evelyn Sirrell et al. v State of New Hampshire et al.* and, if reimbursement is appropriate, shall recommend a formula for implementation of a reimbursement program.
- The next scheduled review for the City of Portsmouth will be 2011.



Types of Revaluation

- **Full Revaluation** – is a measure and list of 100% of municipal properties within a one or two year time period, with or without use of existing property data. This includes a verification and analysis of all municipal market sales and an Update of property assessments based on the property sales study.
- **Cyclical Revaluation** - is a measure and list of all municipal properties within a three to five year time period. Property assessments will be updated during the last year of measuring and listing property data, including the verification of all municipal market sales. This is the fastest growing revaluation work in New Hampshire and IS considered a Full Revaluation once the entire process is complete.



Types of Revaluations – Continued

- **Statistical Update** – is a verification and analysis of all market sales to maintain proportionality by an Update of assessments on all municipal properties based on the property sales study. Verification of sales should include confirming the existing property record card, with a physical inspection to determine accuracy and making any needed corrections.
- **Partial Revaluation** – is a measure and list of a specified portion of municipal properties. This can be with or without using existing property data OR by confirming the existing municipal property record card information. This includes a verification and analysis of all municipal market sales on applicable property types and an Update of property assessments based on the property sales study.



STEPS IN A REVALUATION

- Collect Required Physical Data
- Collect/Verify Specific Market Data
- Analysis (Ratio Studies, Sales, Cost, Income)
- Field Review & Value Correlation
- Informal Hearings
- Project Completion



New Requirements Regarding Real Property Revaluations In The State Of New Hampshire – TIR 2006-004

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.

- 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 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 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.



Uniform Standards of Professional Appraisal Practice

- **Uniform Standards of Professional Appraisal Practice**

On May 30, 2006, the Governor signed HB1206, which established guidelines for revaluations by July 1, 2006 based on the 2005 edition of USPAP Standard 6. One of the key elements of this legislation is the requirement that, on or after the April 1, 2007 assessment year, the assessing profession in New Hampshire must adhere to the assessing guidelines codified in "Standard 6" of the 2005 "Uniform Standards of Professional Appraisal Practice" (USPAP).

The NH Assessing Standards Board (ASB) tasked the Department of Revenue (DRA) with incorporating this requirement into its ongoing assessment monitoring and review practices.

"USPAP" is published by the "Appraisal Foundation", a not-for-profit and nationally recognized educational organization dedicated to the advancement of professional valuation. Founded in 1987, the Appraisal Foundation has worked to foster professionalism in the appraising profession by: 1) establishing, improving, and promoting USPAP; and 2) disseminating information on USPAP to the appraisal profession, state and federal government agencies, users of appraisal services, related industries and industry groups, and the general public.

Specifically, USPAP identifies and publishes the generally accepted standards for professional appraisal and assessment practices in North America. For example, USPAP requires that the appraiser/assessor must correctly employ recognized methods that are necessary to produce a credible appraisal, and that the appraiser/assessor prepare a report that effectively communicates the critical issues, assumptions, and techniques adopted in the analysis. Therefore, a USPAP "compliant" report is one that effectively documents the entire assessment process - from the negotiated contractual assumptions identified in the scope of work (or documented in the in-house assessor's work file); through the derivation of base values, factors and adjustments; the development of values; to the final development and writing of the report.



ASB STANDARDS

Level of Assessments and uniformity of assessments are within acceptable ranges as recommended by the Assessing Standards Board.

- Assessment Level 90% - 110%
- Strata's should be within 5% of overall median ratio.
- Overall coefficient of dispersion (COD) should be no greater than 20%.
- Price Related Differential (PRD) between .98 and 1.03



Taxpayer Questions

What is Reassessment and Why is it Necessary?

- Under the New Hampshire Constitution, all assessments for property tax purposes must be based upon market value and be uniform within the same class or subclass of property.
- Reassessment is the review of all the property in a community to ensure the assessments are uniform and equitable. The assessor updates the assessments in each community to equalize values among the taxpayers and adjusts value to reflect current market conditions.
- Over time, the value of property may change, depending upon its nature, location, and other factors. Some values change more rapidly than others. Reassessment is the only way to be sure that the taxpayer is being taxed fairly, and is taxed the same as other comparable property.



No Improvements Have Been Made to My Property, Why Should the Assessed Value Increase?

Market value changes over time even if no improvements are made to the property. For example, many people sell their homes for more money than they originally paid years earlier. The statutes require that property be periodically reassessed to maintain realistic market values and treat all taxpayers fairly.



What is market value and who determines my property value?

- Market value is determined by people, by the activity in the real estate market and the general economy. The value of your property is based on an analysis of the entire market for a specified period of time before the completion of the revaluation project. The market can generally be defined as, you, the person who sold the property to you, and the person willing to buy it from you. It is the appraiser's job to research and analyze the values in any particular area or neighborhood. In effect, they do what you would do to determine the selling price when putting your property up for sale. However, the appraiser has specific guidelines to follow during their research. Some factors that are examined for each property are: location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions, if any, etc.



- **Why did my assessment increase percentage wise more than others?**

Not all property values will change at the same rate. Market value may have increased more for some neighborhoods and property types than for others. Some neighborhoods and property types may have decreased in value and others may have remained the same. One purpose of a revaluation is to make sure that the assessed values reflect the changes that have occurred in the real estate market. Another cause may be insufficient information.



When will new values from the revaluation impact tax bills?

- The new tax rate and new assessment values will be seen on the first bills due in December 2010.



What is the expected impact to the overall tax rate?

The revaluation is expected to affect an offsetting decrease in the overall tax rate. However, that does not mean that property owners will see a reduction in their taxes. The property tax paid by property owners will differ based upon the degree to which their property value has changed when compared to the average change in all property values.



TAX LEVY

**TOTAL EXPENDITURES
AS ADOPTED BY CITY COUNCIL
ON JUNE 7, 2010**

86,304,454

REVENUES

MUNICIPAL

10,168,649

SCHOOL

5,460,500

STATE REVENUES

2,661,672

USE OF FUND BALANCE

1,128,500

TOTAL REVENUES

19,419,321

TAX LEVY

\$66,885,133

DEPARTMENT OF REVENUE

REQUIREMENTS



- MS-1 INVENTORY OF THE VALUATION (ASSESSOR) VALUATION AS OF APRIL 1
 - MS-2 REPORT OF APPROPRIATIONS ACTUALLY VOTED (FINANCE DIRECTOR)
 - MS-4 REVISED ESTIMATED REVENUES (FINANCE DIRECTOR)
 - MS-22 REPORT OF APPROPRIATIONS ACTUALLY VOTED (SCHOOL BUSINESS ADMIN)
 - MS-24 REVISED ESTIMATED REVENUES (SCHOOL BUSINESS ADMINISTRATOR)
 - BUDGET RESOLUTION AS ADOPTED BY CITY COUNCIL
 - COPY OF CITY COUNCIL MINUTES ADOPTING THE BUDGET
 - COPY OF BUDGET DOCUMENT
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- MS-6 PROPOSED BUDGET OF THE CITY- COMPARING PRIOR AND CURRENT YEAR (FINANCE DIRECTOR)
 - MS-61 DEPENDED SCHOOL BUDGET FORM- COMPARING PRIOR AND CURRENT YEAR (SCHOOL BA)
 - MS-5 ANNUAL CITY FINANCIAL REPORT- LAST COMPLETED FISCAL YEAR (FINANCE DIRECTOR)
 - MS-25 ANNUAL FINANCIAL REPORTS FOR SCHOOL (SCHOOL BUSINESS ADMINISTRATOR)
 - DOE-25 DEPARTMENT OF EDUCATION (SCHOOL BUSINESS ADMINISTRATOR)
 - MS-61 TAX COLLECTOR'S REPORT -REPORTING TAX LEVIES AND LIENS (TAX COLLECTOR)
 - MS-9 & MS-10 TRUST FUNDS (LIBRARY TRUSTEES AND TRUSTEES OF TRUST FUNDS)



Budget Adoption vs. Tax Rate Setting

- Rooms and Meals State Revenue
- Highway Block Grant
- Water Pollution Grant
- State & Forest Land Reimbursement
- County Tax
- Total Valuation



Tax Rate

- Tax Levy is established -- \$ 66,885,133
- Valuation is established—MS-1 report
- Tax Rate is established

City must submit:

- Tax Commitment Verification Form
- Final Tax Warrant



Appeal Process

- Abatement Applications due to Assessor's Office by March 1st, 2011.
- Appeal to BTLA or Superior Court by September 1st, 2011.