

Town of Hebron

Docket No.: 18124-00RA

ORDER

In accordance with TAX 208.06(a)(2), Ms. Joan C. Gootee, one of the board's RSA 71-B:14 review appraisers, filed a final report ("Final Report") on July 26, 2004 analyzing the assessment equity resulting from the reassessment ordered by the board for tax year 2002. See the reassessment order dated November 15, 2000 (the "Order"). The board has reviewed the Final Report as part of its determination of whether the reassessment has been satisfactorily performed in accordance with the Order and RSA 71-B:17.

The Final Report at Addendum D includes the department of revenue administration's ("DRA") 2002 equalization analysis which determined a 2002 median ratio of 100.9%, a coefficient of dispersion ("COD") of 6.4% and a price-related differential ("PRD") of 102%. The sample period utilized in the DRA's analysis contained valid sales that occurred between October 1, 2001 and September 30, 2002. Because the 2002 reassessment was completed in the fall of 2002, the sales contained in the DRA's equalization study were available to and likely part of the sales analyzed by the contract assessment firm completing the 2002 reassessment for the Town.

Ms. Gootee performed her own ratio study utilizing sales that occurred subsequent to the reassessment time frame, from October 1, 2002 to September 30, 2003. The sale prices were adjusted for market appreciation back to the effective date of the ratio study of April 1, 2002. Ms. Gootee's ratio study indicated an overall median ratio of 90%, a COD of 20.08% and a PRD of 112%. The Final Report stratified these same sales in various ways (Final Report at p. 12), and, notably, residential land sales and waterfront sales showed significant variation from the overall median ratio, high CODs and regressive PRDs (residential land sales' median ratio 101%, COD of 29.05% and a PRD of 108%; waterfront-related sales' median ratio of 82%, COD of 18.77% and a PRD of 111%). These differing levels of assessment by property type, the high overall COD of 20.08% and the regressive nature of the assessments exceed generally-accepted assessment standards. IAAO Performance Standards, Final Report at p. 8; New Hampshire Assessing Standards Board Guidelines, III, A, 2 (September 5, 2003) ("An overall coefficient of dispersion (COD) for the municipality's median ratio should not be greater than 20.0 without the use of a confidence interval.")

Further, the contrast between the statistical indices contained in the DRA's report, which is reflective of the sold properties analyzed during the reassessment (overall median ratio of 100.9%, a COD of 6.4% and a PRD of 102%), and those which are significantly different in the Final Report's ratio study indicates the assessment models created during the reassessment were likely more fitting to those sales as opposed to being truly reflective of the general market and further points to the need to analyze anew current market data to modify and improve the assessment models created during the 2002 reassessment. Further concerns are contained on p. 5 of the Final Report where Ms. Gootee notes some inconsistency in the primary sites' values and

the extensive number of neighborhoods (41) in a relatively homogeneous town with only 60 qualified sales for two years prior to the assessment date.

Given the above findings of questionable assessment equity, the board would normally hold a hearing pursuant to TAX 208.06(a)(4) “to determine what further orders to issue or what further steps to take.” However, in this case, we find such a hearing is not needed because the Final Report at p. 15 and the Town’s periodic updates indicate the Town has hired a new assessing contractor (Avitar Associates of New England, Inc.) “to do a town wide update for tax year 2004, excluding measuring and listing” and because the Town is planning to do a quarterly measurement and listing program concluding with a valuation update or reassessment for tax year 2006, concurrent with its RSA 21-J:11-a and b assessment review by the DRA. While the board finds the 2002 reassessment was not performed satisfactorily, the Town has recognized the need to perform an assessment update for tax year 2004 and implement a plan towards full valuation in 2006. Both procedures, but in particular the 2004 update, are appropriate remedies to address the concerns noted in the Final Report and contained in this order. Consequently, the board removes the Order pursuant to RSA 71-B:17.

SO ORDERED.

BOARD OF TAX AND LAND APPEALS

Paul B. Franklin, Chairman

Michele E. LeBrun, Member

Albert F. Shamash, Esq., Member

Certification

I hereby certify a copy of the foregoing Order has this date been mailed, postage prepaid, to: Chairman, Board of Selectmen, Town of Hebron, Post Office Box 188, Hebron, New Hampshire 03241; Dianne & George Sullivan, Jr., 48 Catherine Drive, Peabody, Massachusetts 01960, Interested Parties; and Guy Petell, Director of Property Appraisal, Department of Revenue Administration, 57 Regional Drive, Concord, New Hampshire 03302, Interested Party.

Date: August 13, 2004

Anne M. Stelmach, Deputy Clerk