Town of Barnstead

Docket No.: 18263-00RA

Order

The board's August 6, 2001 Order for Reassessment ("Order") required the "Town" to perform "an immediate update of the waterfront properties for the 2001 tax year in order to improve on the Town's assessment equity." (Order at page 4.) On August 19, 2001, the Town submitted a letter to the board outlining the results of the study performed by Mr. Brett Purvis of Nyberg, Purvis & Associates, indicating various percentage increases to the assessments of properties on several lakes and assessment reductions in non-waterfront vacant lots at Locke Lake. As directed in the Order, the board's staff review appraiser, Mr. Stephan Hamilton, filed a preliminary Report on September 28, 2001 ("Report") relative to the Town's update. Appendix A of the Report includes the ratio study calculations performed by Mr. Purvis that form the basis for the adjustments being applied to the waterfront properties. The board has reviewed the Town's letter, Mr. Purvis's ratio study calculations and the Report.

First, the board is mindful of the limited timeframe which the Town had to conduct the update prior to submitting its assessed values to the department of revenue administration ("DRA") for setting of its 2001 tax rate. Second, the board is also mindful of the relatively

general guidelines enunciated in the Order for having the update performed.[1] (The Order at page 6 describes the sales-study timeframe, the need to perform an overall ratio study and the process of notifying taxpayers of any revised assessments.)

Nonetheless, the issues addressed in the Report raise concerns as to the methodology accepted by the Town in performing the update, whether it was performed and completed with sufficient workmanlike quality and diligence, and the appropriateness of the application of the results to certain waterfront property. As noted in the Report, the Town's update lacked documentation and discussion of the time adjustments made to the sales in the ratio studies, utilized small sample sizes, lacked any calculation of assessment equity before or after the application of the adjustments (such as coefficients of dispersion), and lacked an approved contract, required by RSA 21-J:11, I, to perform such assessment updates.

Given the fact that the Town received an extension for setting its tax rate and has recently submitted the new assessments to DRA to set the rate, the board concludes there is inadequate time at this point to conclusively rule on the effectiveness of the update. The board will ask Mr.

[1] The board notes that New Hampshire currently has no adopted standards or procedures for performing an assessment update outside the contract requirements of Rev 600; however, Chapter 297:2 of the 2001 Session establishes an Assessing Standards Board which could conceivably establish such standards. The board also notes, that the New Hampshire Assessors Association, by affiliation, has adopted the standards of the International Association of Assessing Officers (IAAO) and the Appraisal Standards Board's Uniform Standards of Professional Appraisal Practice (USPAP), which include standards applicable to ratio studies and their uses in assessment updates and measurement of assessment equity.

Hamilton to perform a subsequent sales analysis of the 2001 update as noted in the Order at 6 "after enough time has elapsed for new sales to occur to measure the effect of the update...." The board will withhold any final conclusions as to the 2001 update until Mr. Hamilton has filed his subsequent sales analysis. In the interim, any taxpayers who are unable to satisfactorily resolve their concerns during the Town's informal review have the RSA 76:16 (abatement requests) and RSA 76:16-a and 17 (appeal to board or superior court) avenues of recourse.

Last, the board must comment on Mr. Hamilton's observation (at page 7 of the Report) that "there was no specific contract for the completion of the valuation update." It appears from a straightforward reading of RSA 21-J:11, I that the Town did not have a contract for completing the valuation update and did not comply with the statutory requirements that any entity "making appraisals on behalf of a municipality for tax assessment purposes shall notify the commissioner of that intent in writing" and obtain prior approval of a contract to have such work performed. While this requirement was not specifically enunciated in the board's Order relative to the 2001 update, the statutory requirements for performing such appraisals are clear. Contacting the DRA and obtaining its approval before contracted assessment work is performed is part of the process of DRA's monitoring, inspection and evaluation of such assessment work, including assessment updates. (See RSA 21-J:11, II and III).

To reinforce the Order, the Town should proceed with the 2002 town-wide reassessment. Such reassessment must comply with all applicable statutes and regulations, including Part 600 of the DRA's rules on reassessments, and be done in a workmanlike fashion mindful of generally accepted appraisal and assessment practices and methodologies.

SO ORDERED.

BOARD OF TAX AND LAND APPEALS

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Paul B. Franklin, Chairman

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Michele E. LeBrun, Member

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Douglas S. Ricard, Member

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Albert F. Shamash, Esq., Member

CERTIFICATION

I hereby certify that a copy of the foregoing order has been mailed this date, postage prepaid, to: Chairman, Board of Selectmen, Town of Barnstead; Roy W. Tilsley, Jr., Esq., counsel for George Fitzpatrick, Lead Petitioner; Taxpayer, 82 Winwood Drive, Barnstead, Lead Petitioner; Guy Petell, Director of Property Appraisal, DRA; Joanne Heger, Interested Party; and Karl E. Bahr, Interested Party.

Date:

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Lisa M. Moquin, Clerk

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