Town of Bethlehem Reassessment

Docket No.: 20636-05RA

ORDER

Initiated by a May 5, 2005 letter from a Bethlehem taxpayer, Ms. Tina M. Riendeau, raising concerns about the consistency of assessments in the 2004 reassessment, the board's review appraisers investigated the concerns and submitted a report on September 2, 2005 (the "Report"). The Report noted a number of deficiencies, including inconsistent establishment and application of neighborhoods and related base land values, incomplete notes on assessment-record cards and poor assessment equity, especially for land-only parcels, as indicated by high coefficients of dispersion ("COD"), as shown in the subsequent sales analysis contained in the Report.

As a consequence, the board scheduled a hearing for February 6, 2006 to hear testimony and receive evidence from the "Town" and its assessing contractor, Brett Purvis & Associates, Inc. ("Purvis"), as to any plans the Town has to correct the deficiencies identified in the 2004 reassessment. At the February 6 hearing, the board heard testimony from Mr. Lon Weston, Selectman, Mr. Brett Purvis, Mr. Robert Boley, property tax advisor of the department of revenue administration ("DRA"), and Ms. Riendeau.

Mr. Weston and Mr. Purvis described an assessing plan, now formalized in a 5 year contract between the Town and Purvis, to perform an assessment update in 2006 and to initiate a

5 year cyclical physical data reinspection process. The contract also provided various annual assessing services to be provided by Purvis including assistance on reviewing abatement requests, current use assessments, and performing an annual assessment-to-sale ratio study to determine if any interim updates are necessary. The Town noted the RSA 21-J:11-a assessment review by DRA is scheduled for 2006 and thus the 2006 update was necessary not only to rectify the problems resulting from the 2004 reassessment but also to satisfy the assessing standards board's guidelines utilized by DRA in its assessment review. Mr. Weston testified that a warrant article was in place to appropriate sufficient funds to meet the obligations of the contract between the Town and Purvis and he did not perceive any resistance to its passage. In short, the Town acknowledged the shortcomings of the 2004 reassessment and has initiated a plan to address them.

Mr. Boley questioned the adequacy of the contract to ensure intermediate updates would occur if any annual assessment-to-sale ratio studies indicated assessment inequity. He also noted the COD, calculated during the timeframe of the 2004 reassessment, appeared to be inordinately low but the DRA has been unable to do the 2005 ratio analysis due to the Town not having filed its current assessment information as required by RSA 21-J:9-a, V.

Ms. Riendeau testified she had submitted her letter due to inconsistencies she had observed in the application of the land "condition factor" largely as it relates to adjustments for views. Ms. Riendeau also was hopeful that a reasonable schedule would occur in which the Town or Purvis would address the outstanding 2004 abatement requests.

Board's Rulings

RSA 71-B:16 grants the board authority to order reassessments (complete or partial), if the board finds, after the matter comes to the board's attention from any source, that unacceptable assessment equity exists. Based on the concerns identified in the Report and the

testimony by Town and DRA officials at the February 6 hearing, the board would have asserted jurisdiction and ordered an assessment update similar to that being initiated by the Town if the Town had not, on its own, proceeded with its plan and contract with Purvis. Based on the artificially low COD at the time of the reassessment and the unacceptably high CODs immediately subsequent to the reassessment as identified in the Report, it is clear the assessment models, particularly for land, created during the 2004 reassessment were not truly correlated to the market. The inconsistent neighborhood delineations and view factor applications further support the need for an assessment update.

The Town has, however, recognized the need to significantly revise the 2004 assessment models through a complete market analysis in 2006 and has shown good faith in proceeding with signing a contract with Purvis to perform that update, begin cyclical physical data reviews and to raise the appropriate funds to pay for those services. Consequently, the board finds no need to order any remedial action because the Town is proceeding appropriately on its own. As the board noted in Orford, Docket No.: 21473-05RA, at p. 16, the board "only intercedes in municipal assessing functions as provided by RSA 71-B:16 when the municipality has not or is unwilling to fulfill its responsibility to assess property proportionally."

In light of the good faith plans presented by the Town and Purvis, instead of asserting jurisdiction, the board notes that DRA, through its RSA 21-J:11 monitoring authority[1] and its RSA 21-J:3, XXV and XXVI petitioning and assessment review authority, can review the Town's 2006 assessment update and supporting documentation. If DRA finds the Town has not

[1] As noted in Orford, Docket No.: 21473-05RA, p. 7, "the BTLA would encourage DRA in the future to include, as part of its RSA 21-J:11, II monitoring functions, a review of the extent and quality of the sales analysis documentation and a field review of the consistency of the application of the assessment models throughout the taxing jurisdiction including neighborhood delineation, land and building base rates and grades, and significant and reoccurring adjustments such as view factors, waterfront factors, undeveloped factors, building depreciations, etc."

complied with applicable assessing statutes and rules and not received from Purvis the sales analysis and supporting documentation as discussed in Orford, it could then petition the board for future enforcement action. In the alternative, 50 or more taxpayers in Bethlehem have the ability pursuant to RSA 71-B:16 IV to petition the board any time in the future if they believe improved assessment equity and documentation have not been achieved.

Consequently, the board closes the record in this docket.

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 R. Shamash, Esq., Member

CERTIFICATION

I hereby certify a copy of the foregoing Order has this date been mailed, postage prepaid, to: Tina M. Riendeau, 749 Prospect Street, Bethlehem, NH 03574; Chairman, Board of Selectmen, Town of Bethlehem, PO Box 189, Bethlehem, NH 03574; Brett S. Purvis, Brett S. Purvis & Associates, 3 High Street, 2A, PO Box 767, Sanbornville, NH 03872, Contracted Assessor; Guy Petell, State of New Hampshire, Department of Revenue Administration, P.O. Box 457, Concord, NH 03302-0457; and Mr. Stephen Noel, 23 Campbell Drive, Litchfield, NH 03052, Interested Parties.

Date: February 21, 2006

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Anne M. Stelmach, Clerk