

State of New Hampshire
 Department of Revenue Administration

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RECEIVED July 22, 2010

JUL 26 2010

TOWN OF NEW MARKET
 ADMINISTRATOR'S OFFICE

Edward J. Wojnowski
 Town Administrator
 Town of Newmarket
 186 Main Street
 Newmarket, N.H. 03857

Dear Board of Selectmen,

The Department of Revenue Administration, pursuant to RSA 21-J:11, is charged with the responsibility of monitoring revaluations and supporting municipalities with assessment activities, contract negotiations and compliance. As the Department of Revenue's (DRA) Monitor for the Town of Newmarket (Town), I have reviewed the following standard list of tasks that the Town's Assessor, Andy Blais, used as a guideline relative to the International Association of Assessing Officers (IAAO) standards for real property revaluations. The Department has checked all the germane items below for compliance with applicable State Statutes, Revenue 600 Rules and Assessing Standards Board (ASB) guidelines. The following is my final report of our experience and review of the Newmarket 2009 statistical revaluation relative to the IAAO's manual of Uniform Standards of Professional Appraisal Practice's (USPAP) Standard 6.

PHASE 1 includes the following: Request for Proposal (RFP) compared to contract, initial meeting with the Town, and the DRA, public relations plan, tax maps, list of DRA approved personnel, adequate insurance, and bonding.

The town's in-house assessor, Andy Blais, performed the statistical update. As an employee of the Town of Newmarket, Mr. Blais was not required to submit an approved contract prior to beginning the statistical update., (see Rev 602.01 (b), "Submission of Contracts" from the DRA 600 Rules). Therefore, the issues of an RFP, list of DRA approved employees; adequate insurance and bonding were not necessary. The DRA met with Mr. Blais to discuss the extent of the sales verification process and public relations.

PHASE 2 includes: data-collection, quality control procedures and call back compliance.

The Assessor validates sales using PA-34's, town generated sales questionnaires, Realtor Multiple Listing Sheets, discussions with buyers and sellers, and discovery. The Assessor visits all sale properties to re-measure and list the property and attempts to perform an interior inspection to determine quality and condition at the time of sale. If the property owner is not at home, a letter is left requesting an interior inspection. Sales data utilized for the purpose of completing the analysis spanned a two-year period from October 1, 2007 to September 31, 2009. Being a statistical update, only sale properties were measured and listed. The Assessor maintains an in-house work plan to visit (measure and list) a segment of the total parcels each year. All but a portion of the town's properties had received a visit from the assessing department prior to the update. A cyclical review of a segment of the properties (20%) was completed each year since the prior revaluation.

The DRA reviewed 12 randomly sampled sale properties used in the sales analysis and determined that data elements were adequate. The DRA uses a grading sheet (PA-45 or PA-46) for data collection elements that are to be used in the CAMA system. In addition, the DRA reviewed more than forty non-sale properties to compare consistency of land/neighborhood codes, and grading and depreciation of improvements.

PHASE 3 includes: valuation analysis, neighborhood delineation, valuation notice, informal hearings, and final valuation adjustments.

In review of valuation analysis the Assessor had a total of 145 valid arms-length sale transactions to analyze for the time period 10/01/07 through 09/31/09. Of the 145 transactions, 141 were classified as residential, consisting of 10 manufactured housing, 50 condominiums, 76 one to three family properties, and 5 vacant land sales. The remaining transactions were a mix of commercial and industrial. Values were determined using the sales approach. Neighborhood boundaries have not changed since 2004, and were not changed for the 2009 update.

The Assessing department chose not to have informal reviews of updated values. Mr. Blais conducted an informative session on the town's cable channel, during which he explained details about land and improvement valuation data on the property record card. In addition, property owners were sent a copy of their property record card and asked to review the various details of their home as listed. Taxpayers were given the opportunity to call or schedule an appointment if they saw an incorrect data element or believed the overall assessment was inaccurate. The Assessing department welcomed any questions or concerns by taxpayers on an individual basis. The Town also had the assessments posted on the town's website and all indications appear that it was well received and informative to the taxpayers.

PHASE 4 includes: appraisal manual, sales book, sales ratio studies and timeline adherence.

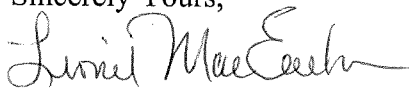
A USPAP Standard 6 appraisal report was submitted by the Assessor, pursuant to RSA 21-J:14-b(c). The report was reviewed by the DRA for compliance using a checklist format. The review indicated the report to be mostly compliant with USPAP Standard 6 guidelines. The USPAP Standard 6 compliant report is available for public viewing at the Town Municipal office.

The sales ratios are the items that are used to gauge the results of the revaluations effort. The IAAO recommends the use of the median ratio, which is the midpoint or middle ratio when the ratios are arrayed in order of magnitude. The overall level of appraisal for all parcels in the Town should be within 10 percent of market value (100%) that is, between 90% and 110%. Your 2008 median ratio calculated by the DRA prior to the revaluation effort was 97.3% and the final 2009 town wide ratio as calculated by the DRA is 100.5%. IAAO also recommends using the coefficient of dispersion (COD) as the measure of uniformity in the ratio study. Low COD's (15.0 or less) tend to be associated with good appraisal uniformity and COD's above 20 indicate poor uniformity. Your 2008 COD calculated by the DRA was 8.5 and your completed revaluation COD is 6.8. Your price related differential (PRD) which measures vertical equity (low assessed property versus high assessed property) as calculated by the DRA for 2008 was .98, the ratio for 2009 is 1.00.

In conclusion, it is our hope that any assistance we provide will enable the town to have assurance that uniformity and proportionality among taxpayers was improved because of the revaluation. We commend the Newmarket Assessor, Town Administrator, and Town Council for taking a proactive approach in addressing the need to keep values current and to provide equity within the town. It is our belief that from the evidence provided, the 2009 valuation update was performed with defensible analysis to ensure that all values generated from the sales analysis will be accurate and proportionate.

We hope that this information is helpful, and we look forward to continuing the support and assistance that the Department of Revenue Administration provides to your community. If we can be of any further assistance, please feel free to call me at 419-0076 or 271-2687 or via email at lmaceachern@rev.state.nh.us.

Sincerely Yours,



Lionel MacEachern,
Property Appraisal Division
Department of Revenue Administration

cc: DRA File