



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO MAYOR AND THE CITY COUNCIL

Date: May 28, 2024

To: Honorable Mayor and City Council

From: Jonathan Rice, Director of Real Estate Assessments

A handwritten signature in black ink, appearing to be "J. Rice", with a horizontal line extending to the right.

RE: Full Measure and List Revaluation

Recommendation

Accept this report as to the current status of the Full Measure and List Revaluation scheduled to begin with property inspections in 2024 through 2025 and commence with a Full Statistical Revaluation of City-wide properties for Tax Year 2026.

Background

As you are aware the Assessing Department's purpose is to continuously discover and list information used to provide fair and equitable property values for the equitable distribution of the City's property taxes. Between 2004 and 2021, under RSA 75:8-b, the Assessing Department conducted annual updates intended to appraise all City real estate at market value through statistical analysis. This process includes the review and inspection of properties that sold, properties where building permits have been issued, properties where owners have filed an abatement/appeal, and those properties whose owners have requested inspections. The assessment records for these aforementioned properties reflect the most recent updates, conditions, measurements and details about the property as of the date of that last review or inspection. However, during this time period no cyclical inspection process existed and thus the majority of City properties were not visited.

The Assessing Department has also historically sent Income and Expense forms to Commercial, Industrial, and Apartment Property owners. The return of the Income and Expense forms is not required by law and is thus strictly voluntary. Generally speaking, participation is very low and often local income and expense data is determined using market resources and publications. This information is then used to estimate a market value using the income approach to value.

Every year during the abatement/appeal process, there are generally properties that require corrections. These corrections, due to outdated data or errors, either increase or decrease the assessments. The same holds true for properties that are reviewed on multiple listing services (MLS). For abatements and appeals, corrections that result in value reductions produce a refund. The abatement refund is paid by the City out of the overlay account and refunds the entire tax rate, including the school and county portions of the tax rate, plus statutory interest at 4%. The majority of City properties have not been inspected in decades, which typically lead to the field assessor discovering incorrect descriptions and data listed on the individual property record cards. Accurate property records and data is essential for fair and equitable assessments and for the fair and equitable distribution of property taxes. For example, the size or use of the property may have changed, physical changes may have been made without building permits, deterioration of the property through wear and tear resulting in a decreased assessment as well as improvements and upgrades that increase assessments that have not been captured. These types of issues are typically the direct result of incorrect information in the assessment record.

The last Full Measure and List of all properties in Concord and Penacook was completed in 1990; thirty-four years ago. This process involves visiting every property within City limits to verify the exterior measurements of the buildings and improvements such as sheds, patios, generators and in-ground pools, as well as inspect the interior of the buildings to verify and update the number of bedrooms, bathrooms, flooring, wall finishes, finishes in the kitchens, baths, other rooms, units and the overall condition of the property. Any and all improvements to the underlying real estate that contribute to the properties market value becomes part of the dataset. While the Assessing Department has done a serviceable job achieving assessment equity and produce assessments reflective of market value under the RSA 75:8-b, a Full Measure and List cyclical inspection process is necessary to maintain fair and equitable assessments.

Discussion

On March 28, 2024, the City awarded a contract for RFP 10-24, Full Measure and List Appraisal and Revolution to Vision Government Solutions, Inc. (“VGSI”). Vision is also the City’s computer assisted mass appraisal (CAMA) software provider and their certified staff is well versed in all facets of municipal assessment valuation work. On April 8, 2024, the City received notice that the NH Department of Revenue Administration (“DRA”) had received a copy of the contract. In accordance with RSA 21-J:11, II, the DRA has oversight to the cyclical inspection and revaluation process.

An initial meeting to discuss in detail the plan and schedule for the full measure and list activities was held between the City and VGSI on May 16, 2024. VGSI is looking to begin field inspections of City properties on or about July 1, 2024.

Prior to embarking on field inspection activities, a press release will be published by the City. Concurrently, a webpage dedicated to the Full Measure and List Revaluation project will go live on the City’s website at concordnh.gov. The webpage will include a continuously updated field inspection schedule by neighborhood and street name as well as many other helpful resources to educate and inform property owners and tenants. Stephen Whalen is the Project Manager assigned

by VGSI to this project. All VGSI staff will be identified on the dedicated webpage, will carry an approved photo ID, and wear an easily identifiable and marked neon vest. The City's Assessing office personnel and Police Department personnel will be well informed of the year/make/model/color of all VGSI placard vehicles.

The City's Assessing Department staff will have a very hands-on approach to the entire project. City assessors will assist with inspections, monitor, and provide valuable training and quality control.

VGSI will inspect approximately 6,700 inspections in 2024 (45% of the total contract), and following that be inspecting the balance of the properties approximately 8,100 (55% of the total contract) in 2025. VGSI's data collection efforts will culminate in a Full Statistical Revaluation for Tax Year 2026.

Under the guidelines of RSA 75:8-a, together with the assistance of VGSI and the motoring efforts of the DRA, the Assessing Department will reappraise all City properties so that the assessments are at a full and true market value as of April 1, 2026. The City's last assessment statistical revaluation was completed in 2021.

Cc: Thomas J. Aspell Jr., City Manager