



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO MAYOR AND THE CITY COUNCIL

Date: September 22, 2020

To: Honorable Mayor and City Council

From: The Board of Assessors: George Hildum, Guy Petell and Jon Duhamel

RE: Undertaking a Measure and List of All Properties in the City

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. Since 2004 assessments have been updated annually to reflect market value using a statistical analysis. The Assessing Office has been reviewing and attempting to visit properties which have sold, properties where building permits have been issued, properties where owners have filed an appeal, and those properties whose owners have requested inspections. The Assessing Office also reviews as many MLS property listings as possible. The assessment records for these properties reflect the most recent updates, conditions, measurements and details about the property as of the date of that last review or inspection.

Annually, the Assessing Department sends 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 the return of these forms is strictly voluntary. This information is used to estimate a market value using an income approach.

Every year during the abatement/appeal process, there are generally numerous properties that require corrections. These corrections, due to outdated data or errors, either lower or increase the assessments. The same holds true for properties that are reviewed on MLS. For abatement appeals, the corrections resulting in value reductions result in 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 6%. For properties that haven't been visited recently, the City typically discovers incorrect descriptions on the property record cards used to arrive at the values. For example, the size or description of the properties due to changes in the use of the property, physical changes to properties without building permits, properties that have not been maintained over the years resulting in a decreased assessment as well as those that have had numerous improvements and upgrades that increase assessments. These types of problems are typically a direct result of outdated information on the property records. These inequities result in some properties paying more in property taxes than they should and some paying less in property taxes than they should. These over and under payments create unfairness and inequity in the assessment process.

Recommendations

The last full measure and list of all properties in Concord and Penacook was completed in 1990; thirty years ago. This process involves visiting every property and verifying the exterior measurements of the buildings and improvements such as sheds, fences, and in-ground pools, as well as viewing the interior of the buildings to verify and update the number of bedrooms, bathrooms, flooring, wall finishes, finishes in the kitchens, baths, other rooms and the overall condition of the property.

The Assessment office has done well to achieve assessment equity and produce assessments reflective of market value. Essentially they have been performing the equivalent of retreading tires or servicing an engine on a regular basis but, eventually the tires will need replacement and the engine will need to be rebuilt or replaced. We believe the City is at the point of needing to discover, update, and verify all the properties in the City and should undertake a complete measure and list of all its' properties as soon as possible. This undertaking will help to improve the equity and fairness of assessments. A full measure and list of all properties should be conducted over a five-year period. Each year approximately twenty percent (20%) of the properties would be visited, the information verified and updated and entered in the assessing database. We understand this is a huge undertaking, not only financially, but also of staff to oversee and monitor the project.

Maintaining accurate and equitable assessments is not easy, but working to obtain accurate and relevant data is a necessary step in the achievement of these goals by the Assessing Department. We, and the Assessing staff, would be happy to meet with a committee or group of City Councilors to review, offer additional information, and address concerns and questions you may have so that a way can be found to begin a full measure and list of all properties within the City.

Cc: Thomas J. Aspell Jr., City Manager
Kathryn H. Temchack, Director of Real Estate Assessments