



TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, **including back up information, 8 days prior** to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION

Date Submitted: October 22, 2015

Date of Meeting: November 5, 2015

Submitted by: Avitar Associates President Loren Martin

Department:

Time Required: 20 minutes

Speakers: Loren Martin

Background Info. Supplied: Yes: No:

CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/Retirement:	<input type="checkbox"/>
Public Hearing:	<input type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input checked="" type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

TITLE OF ITEM

2016 Town-wide Reevaluation

DESCRIPTION OF ITEM

The Town Council to receive information related to the 2016 Town-wide reevaluation as required by law under RSA 21-J:11 and to also authorize the withdrawal from the Capital Reserve Fund, not to exceed \$75,000.

REFERENCE (IF KNOWN)

RSA:	21-J:11	Warrant Article:	
Charter Article:		Town Meeting:	
Other:		N/A	

EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

CONTACT INFORMATION

Name:	<u>Loren Martin</u>	Address	
Phone Number	<u>798-4419</u>	Email Address	<u>loren@avitarassociates.com</u>

APPROVAL

Town Manager: Yes No: Chair/Vice Chair: Yes No:

Memo

**To: Eileen Cabanel
Town Council**

From: Loren Martin



Date: October 22, 2015

Re: 2016 Town wide Update of Values

As required by law under RSA 21-J:11, I have submitted an update contract for the Town wide update of values. As required by NH Constitution, Part II, Article 6 and RSA75:8-a, every municipality shall reappraise all property within the municipality at full and true value at least as often as every fifth year. As we last updated in 2011, we are obligated to do so again in 2016.

We just completed the ratio study for equalization for tax year 2015 (10/01/14 through 09/30/15) and the indicated median ratio for that period is 94.1% of market value. Also, the most recent sales are indicating further appreciation so as long as the market continues in this fashion we will likely be seeing assessments rise to mirror the current real estate market (as of 04/01/16).

I will be in to discuss and answer any questions you may have relative to this update, but many of you will remember the 2011 update. Given that we did the last update, I would not expect the same outcry as we did the last time as I think we have resolved many of the methodology type issues we previously experienced.

TITLE I

THE STATE AND ITS GOVERNMENT

CHAPTER 21-J

DEPARTMENT OF REVENUE ADMINISTRATION

General Provisions

Section 21-J:11

21-J:11 Appraisals of Property for Ad Valorem Tax Purposes. –

I. (a) Every person, firm, or corporation intending to engage in the business of making appraisals on behalf of a municipality for tax assessment purposes in this state shall notify the commissioner of that intent in writing. No person, firm, or corporation engaged in the business of making appraisals of taxable property for municipalities and taxing districts shall:

(1) Enter into any contract or agreement with any town, city, or governmental division without first submitting a copy of the contract or agreement to the commissioner along with the names and qualifications of all personnel to be employed under the contract or agreement for review of the proposed contract or agreement and written recommendations of the department to be made to the municipality within 10 working days of receipt by the department; *sent to DRA 10-21-15*

(2) Begin any appraisal work without first submitting a copy of the executed contract or agreement to the commissioner along with the names and qualifications of all personnel to be employed under the contract or agreement.

(b) Any contract or agreement entered into for a reassessment or new assessment ordered by the board of tax and land appeals, pursuant to RSA 71-B, shall be first submitted to the commissioner for examination and approval.

(c) This paragraph shall not apply to municipal employees.

II. The commissioner, at no expense to the municipality, shall monitor appraisals of property and supervise appraisers as follows:

(a) Assure that appraisals comply with all applicable statutes and rules;

(b) Assure that appraisers are complying with the terms of the appraisal contract or agreement;

(c) Review the accuracy of appraisals by inspection, evaluation, and testing, in whole or in part, of data collected by the appraisers; and

(d) Report to the governing body on the progress and quality of the municipality's appraisal process.

III. The commissioner shall adopt rules under RSA 541-A relative to the:

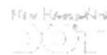
(a) Contract or agreement provisions for a full revaluation, a cyclical revaluation, a partial revaluation, or a statistical update; and

(b) Methodology for inspection, evaluation, and testing of data for the purpose of appraisal monitoring.

Source. 1985, 204:1. 1999, 17:8. 2002, 249:6. 2006, 193:4. 2007, 182:1, eff. April 1, 2007.

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- RESIDENTS
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State Constitution - Form of Government

Established October 31, 1783 Effective June 2, 1784 As Subsequently Amended and in Force January 2007

Article 1. [Name of Body Politic.] The people inhabiting the territory formerly called the province of New Hampshire, do hereby solemnly and mutually agree with each other, to form themselves into a free, sovereign and independent body-politic, or state, by the name of the State of New Hampshire.

June 2, 1784

GENERAL COURT

[Art.] 2. [Legislature, How Constituted.] The supreme legislative power, within this state, shall be vested in the senate and house of representatives, each of which shall have a negative on the other.

June 2, 1784

[Art.] 3. [General Court, When to Meet and Dissolve.] The senate and house shall assemble biennially on the first Wednesday of December for organizational purposes in even numbered years, and shall assemble annually on the first Wednesday following the first Tuesday in January, and at such other times as they may judge necessary; and shall dissolve and be dissolved at 12:01 A.M. on the first Wednesday of December in even numbered years and shall be styled The General Court of New Hampshire.

June 2, 1784

Amended 1877 changing annual sessions to biennial sessions.

Amended 1889 calling for the legislature to meet in January instead of June.

1966 amendment permitting annual sessions was ruled invalid in Gerber v. King, 107 NH 495.

Amended 1974 to permit organizational meetings in December and the January meeting to be on the first Wednesday after the first Tuesday.

Amended 1984 changing biennial sessions to annual sessions.

[Art.] 4. [Power of General Court to Establish Courts.] The general court (except as otherwise provided by Article 72-a of Part 2) shall forever have full power and authority to erect and constitute judicatories and courts of record, or other courts, to beholden, in the name of the state, for the hearing, trying, and determining, all manner of crimes, offenses, pleas, processes, complaints, actions, causes, matters and things whatsoever arising or happening within this state, or between or concerning persons inhabiting or residing, or brought, within the same, whether the same be criminal or civil, or whether the crimes be capital, or not capital, and whether the said pleas be real, personal or mixed, and for the awarding and issuing execution thereon. To which courts and judicatories, are hereby given and granted, full power and authority, from time to time, to administer oaths or affirmations, for the better discovery of truth in any matter in controversy, or depending before them.

June 2, 1784

Amended 1966 to add exception relating to Art. 72-a, Part 2.

[Art.] 5. [Power to Make Laws, Elect Officers, Define Their Powers and Duties, Impose Fines and Assess Taxes; Prohibited from Authorizing

Towns to Aid Certain Corporations.] And farther, full power and authority are hereby given and granted to the said general court, from time to time, to make, ordain, and establish, all manner of wholesome and reasonable orders, laws, statutes, ordinances, directions, and instructions, either with penalties, or without, so as the same be not repugnant or contrary to this constitution, as they may judge for the benefit and welfare of this state, and for the governing and ordering thereof, and of the subjects of the same, for the necessary support and defense of the government thereof, and to name and settle biennially, or provide by fixed laws for the naming and settling, all civil officers within this state, such officers excepted, the election and appointment of whom are hereafter in this form of government otherwise provided for; and to set forth the several duties, powers, and limits, of the several civil and military officers of this state, and the forms of such oaths or affirmations as shall be respectively administered unto them, for the execution of their several offices and places, so as the same be not repugnant or contrary to this constitution; and also to impose fines, mulcts, imprisonments, and other punishments, and to impose and levy proportional and reasonable assessments, rates, and taxes, upon all the inhabitants of, and residents within, the said state; and upon all estates within the same; to be issued and disposed of by warrant, under the hand of the governor of this state for the time being, with the advice and consent of the council, for the public service, in the necessary defense and support of the government of this state, and the protection and preservation of the subjects thereof, according to such acts as are, or shall be, in force within the same; provided that the general court shall not authorize any town to loan or give its money or credit directly or indirectly for the benefit of any corporation having for its object a dividend of profits or in any way aid the same by taking its stocks or bonds. For the purpose of encouraging conservation of the forest resources of the state, the general court may provide for special assessments, rates and taxes on growing wood and timber.

June 2, 1784

Amended 1792 changing "president" to "governor."

Amended 1877 changing "annually" to "biennially." Also amended to prohibit towns and cities from loaning money or credit to corporations.

Amended 1942 to permit a timber tax.

[Art.] 5-a. [Continuity of Government in Case of Enemy Attack.]

Notwithstanding any general or special provision of this constitution, the general court, in order to insure continuity of state and local government operations in periods of emergency resulting from disasters caused by enemy attack, shall have the power and the immediate duty to provide for prompt and temporary succession to the powers and duties of public offices, of whatever nature and whether filled by election or appointment, the incumbents of which may become unavailable for carrying on the powers and duties of such offices, and to adopt such other measures as may be necessary and proper for insuring the continuity of governmental operations including but not limited to the financing thereof. In the exercise of the powers hereby conferred the general court shall in all respects conform to the requirements of this constitution except to the extent that in the judgment of the general court so to do would be impracticable or would admit of undue delay.

November 30, 1942

[Art.] 5-b. [Power to Provide for Tax Valuations Based on Use.] The general court may provide for the assessment of any class of real estate at valuations based upon the current use thereof.

November 15, 1968

[Art.] 6. [Valuation and Taxation.] The public charges of government, or any part thereof, may be raised by taxation upon polls, estates, and other classes of property, including franchises and property when passing by will or inheritance; and there shall be a valuation of the estates within the state taken anew once in every five years, at least, and as much oftener as the general court shall order.

June 2, 1784 Amended 1903 to permit taxes on other classes of property including franchises and property passing by inheritances.

[Art.] 6-a. [Use of Certain Revenues Restricted to Highways.] All revenue in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators' licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively

for the construction, reconstruction and maintenance of public highways within this state, including the supervision of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no part of such revenues shall, by transfer of funds or otherwise, be diverted to any other purpose whatsoever.

November 29, 1938

[Art.] 6-b. [Use of Lottery Revenues Restricted to Educational Purposes.]

All moneys received from a state-run lottery and all the interest received on such moneys shall, after deducting the necessary costs of administration, be appropriated and used exclusively for the school districts of the state. Such moneys shall be used exclusively for the purpose of state aid to education and shall not be transferred or diverted to any other purpose.

November 6, 1990

[Art.] 7. [Members of Legislature Not to Take Fees or Act as Counsel.]

No member of the general court shall take fees, be of counsel, or act as advocate, in any cause before either branch of the legislature; and upon due proof thereof, such member shall forfeit his seat in the legislature.

September 5, 1792

[Art.] 8. [Open Sessions of Legislature.] The doors of the galleries, of each house of the legislature, shall be kept open to all persons who behave decently, except when the welfare of the state, in the opinion of either branch, shall require secrecy.

September 5, 1792



TITLE V TAXATION

CHAPTER 75 APPRAISAL OF TAXABLE PROPERTY

Section 75:8-a

75:8-a Five-Year Valuation. – The assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value at least as often as every fifth year, beginning with the later of either of the following:

I. The first year a municipality's assessments were reviewed by the commissioner of the department of revenue administration pursuant to RSA 21-J:3, XXVI and the municipality's assessments were determined to be in accordance with RSA 75:1; or

II. The municipality conducted a full revaluation monitored by the department of revenue administration pursuant to RSA 21-J:11, II, provided that the full revaluation was effective on or after April 1, 1999.

Source. 2001, 158:54. 2003, 307:11. 2005, 119:1, eff. June 15, 2005.



2015 Trial Ratio Study Report

10/22/2015 2:53:03 PM

Town Name: Merrimack, Hillsborough County

Use Code: AA - Any & All

Date Range: 10-01-2014 through 09-30-2015

NOT FOR PUBLICATION

Ratios were created using stipulated year assessments.

Summary of Codes Used

Group Class: AA - Any & All	Property Codes: 11 = Single Family Home 12 = Multi Family 2-4 Units 14 = Single Res Condo Unit 18 = Mfg Housing Without Land 19 = Unclass/Unk Imp Res 22 = Residential Land 26 = Mixed Use Cmcl/Ind Land 33 = Commercial L&B 34 = Industrial L&B 44 = Commercial Condo
Modifier Codes: 00 = No Modifier Code 70 = Waterfront 71 = Water Access	Special Codes: 00 = No Special Code

Indicated Ratio / Weighted Mean

Year	2015	2014	2013
Indicated Ratio	93.5	97	101
Weighted Mean	93.5	97	101

Basic Statistics Section (Not Trimmed)

Sales In Date Range	Sales Used	Results
Total: 596 XX Moved: 0 Sales w/PA34: 254 %Sales w/PA34: 42.6%	Total Strata: 596 Sales Used: 460 %Sales Used: 77.2% Sales Used w/PA34: 203 %Sales Used w/PA34: 44.1%	%Mean: 94.4% %Median: 94.1% %WtMean: 93.5% COD (Median): 7.0 PRD: 1.01 Median Selling Price: \$234,900 Median Assessed Value: \$215,050

Extended Statistics Section (Trimmed)

Town Code:	139	Weighted Mean:	93.5	COD:	6.9	PRD:	1.01
Valid Sales:	460	Wt.Mean Lo 90%CI:	92.8	COD Lo 90%CI:	6.5	PRD Lo 90%CI:	1.01
Trimmed:	2	Wt.Mean Up 90%CI:	94.1	COD Up 90%CI:	7.3	PRD Up 90%CI:	1.01
Untrimmed:	458	Median Ratio:	94.1	Weighted COD:	6.7	COV:	8.8
Trim Factor:	3	Median Lo 90%CI:	93.1	Med. Abs. Dev.:	8.1	25th Percentile:	89.1
Lo Trim Point:	65.7	Median Up 90%CI:	95	Med % Dev.:	8.6	75th Percentile:	99.9



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NOT FOR PUBLICATION

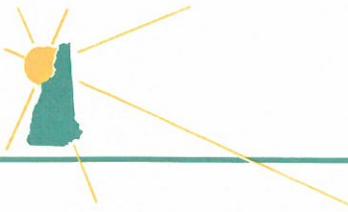
Ratios were created using stipulated year assessments.

Up Trim Point: 125.6	Mean Ratio: 94.4	Coef. Conc. 10%: 78.5	Broaden Median: 94.1
Min Ratio: 55.5	Mean Lo 90%CI: 93.7	Coef. Conc. 15%: 94.6	Geometric Mean: 94
Max Ratio: 138.9	Mean Up 90%CI: 95	Coef. Conc. 20%: 97.2	Harmonic Mean: 93.6
Min Sale \$: \$65,000	Avg. Sale Price: \$252,600	Coef. Conc. 50%: 100	Std. Deviation: 8.3
Max Sale \$: \$3,850,000	Avg. Appraised Val: \$236,102	Coef. Conc. 100%: 100	Normality Test: Reject

The general descriptive and median ratio statistics are not trimmed of outliers and are based on all valid sales in the sample.

Summary of Exclusion Codes Used

Codes	Description	Count	%Excluded	%Strata
38	Family/Relatives/Affil as Grantor/Grantee	3	2.2	0.7
18	Multiple Parcels/Same Town per Deed	5	3.7	1.1
48	By Sheriff or other Court Official	1	0.7	0.2
14	Improvements +/- (Post Assm/Pre Sale)	2	1.5	0.4
20	Multi-Town Property	1	0.7	0.2
36	Relig/Char/edu as Grantor/Grantee	1	0.7	0.2
37	Financial Entity as Grantor/Grantee	34	25.0	7.4
40	Business Affiliates as Grantor/Grantee	3	2.2	0.7
17	L/B Assessment - L/O Sale	2	1.5	0.4
49	Deed In Lieu of Foreclosure	18	13.2	3.9
11	Prop sold Not Separately Assessed	3	2.2	0.7
16	L/O Assessment - L/B Sale	1	0.7	0.2
24	Sale Between owners of Abutting Prop	2	1.5	0.4
44	Non-Market with Trust as Grantor/Grantee	2	1.5	0.4
89	Resale in EQ Period	6	4.4	1.3
13	Improvements +/- (Post Sale/PreAssmt)	1	0.7	0.2
15	Improvements +/- Incomplete at Assmt date	3	2.2	0.7
33	Landlord/Tenant as Grantor/Grantee	3	2.2	0.7
35	Government Agency as Grantor/Grantee	8	5.9	1.7



Avitar Associates of New England, Inc.

A Municipal Services Company

October 20, 2015

**Town of Merrimack
Eileen Cabanel
Town Council
6 Baboosic Lake Road
Merrimack, NH 03054**

Re: 2016 Update

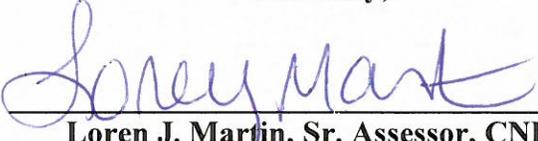
Dear Eileen & Council Members;

Enclosed is the update agreement for 2016, as required by law. A separate agreement must be signed pursuant to RSA 21-J:11.

This update contract is very similar to the one in place for the 2011 update. There has been some additional verbiage added to the contract to coincide with DRA's template. The only real difference is that we will be providing the final record cards in electronic format versus paper copy. This was at the request of the Assessing Department. As the CAMA system is now capable of saving and retrieving databases for each assessing year, there is no longer the need to print the almost 11,000 records and file them.

If you have any questions or concerns, please do not hesitate to contact me. If you have no concerns, merely sign and return to me for signature/execution. I will return the original to you, retaining a copy for me and forward one to the DRA.

Sincerely,



**Loren J. Martin, Sr. Assessor, CNHA
President, Assessing Operations**

LJM/sjc
Enclosure

REVALUATION/UPDATE AGREEMENT

SUBJECT: Update of all taxable, tax exempt and non-taxable property for tax assessment purposes, in accordance with the standards set forth in the laws of the State of New Hampshire and Administrative Rules adopted by the Department of Revenue Administration (DRA) and the Assessing Standards Board (ASB), in effect at the time of execution.

Merrimack, NH, a municipal corporation organized and existing under the laws of the State of New Hampshire, hereinafter called the Municipality; and Avitar Associates of NE, Inc., a business organization existing under the laws of the State of New Hampshire and having a principal place of business at 150 Suncook Valley Highway, Chichester, NH 03258 hereinafter called the Company, hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION

1.1 Name of Municipality:	Town of Merrimack
1.2 Address of Municipality:	6 Baboosic Lake Road
	Merrimack, NH 03054
1.3 Contact Email:	ecabanel@merrimacknh.gov
1.4 Contracting Officer for the Municipality:	Merrimack Town Manager & Town Council
1.5 Telephone & Fax Numbers:	(603) 424-5136 Fax 424-0461
1.6 Name of Company:	Avitar Associates of N.E., Inc.
1.7 Address of Company:	150 Suncook Valley Highway
	Chichester, NH 03258
1.8 Telephone & Fax Numbers:	(603) 798-4419 Fax (603) 798-4263
1.9 Name and Title of Company Signer:	Loren J. Martin, President of Assessing Operations
	or Gary J. Roberge, CEO
1.10 Contact Email:	<u>loren@avitarassociates.com</u> or <u>gary@avitarassociates.com</u>

2. GENERAL SERVICES TO BE PERFORMED BY THE COMPANY

2.1 Appraise all property.

2.1.1 To appraise all taxable property within the municipality in a good and workmanlike manner according to New Hampshire Revised Statutes 75:1.

2.1.2 To appraise all tax exempt and non-taxable property (RSA 74:2) within the taxing jurisdiction of the Municipality in the same manner as taxable property.

2.1.3 The Company shall measure, list and verify all sales used as benchmarks for the update process, unless otherwise noted in the addendum section of this contract.

2.2 Completion of Work:

2.2.1 The company shall complete all work and deliver the same in final form to the Municipal Assessing Officials on or before 10/1/2016 with assessments as of 4/1/2016.

2.2.2 A penalty of \$35.00 per day shall be paid by the Company for each day required for completion beyond the above stated completion date for delays caused by the Company.

2.2.3 The re-assessment shall be considered complete and in its final form only when informal reviews have been complete, value changes made as required and the figures are submitted to and accepted by the Municipal Assessing Officials. The Company shall provide the municipality with a full set of property record cards (electronic copy only) and the USPAP Standard 6 Report.

2.3 Personnel.

2.3.1 The Company shall employ experienced and competent assessors who have been certified by the N.H. Department of Revenue Administration in accordance with ASB 300 rules and RSA 21-J:14-f for the level of work they will be performing. A list of personnel is attached to this contract detailing their level of certification.

2.3.2 The Company shall not compensate, in any way, a Municipal officer or employee or any member of the family of such officer or employee in the performance of any work under this contract.

2.3.3 Upon approval of the contract and before the update/revaluation begins, the Company shall forward to the N.H. Department of Revenue Administration a list of the approved employees assigned to the update project.

2.3.4 The Company will ensure the DRA Certified Assessor Supervisor will be on the job site 50% of the time.

2.3.5 The Company will ensure that there will be no assigning of any part of the contract to anyone other than the Company without express written permission by the Town.

2.4 Public Relations.

The Company and the Municipality, during the progress of the work, shall use its best efforts and that of its employees to promote full cooperation and amiable relations with the taxpayers. All publicity and news releases will be cleared with the Municipal Assessing Officials. The Company, upon request of the Municipality, will make available speakers to acquaint property owners with the nature and purpose of the update at a public forum scheduled by the Municipality, but not more than 4 during the course of the project.

2.5 Confidentiality.

2.5.1 The Company agrees to not disclose to anyone except the Municipal Assessing Official and the Commissioner of the N.H. Department of Revenue Administration or their respective designee, any preliminary values or new values discovered, for any purpose, or to permit anyone to use or peruse any of the data on file in connection with the update, until the values have been submitted to the Municipal Assessing Officials and are made public.

2.5.2 The Company agrees to furnish the New Hampshire Department of Revenue Administration staff member assigned to monitor the update reasonable requests for information made in writing.

2.6 Compensation and Terms.

The Municipality in consideration of the services hereunder to be performed by the Company agrees to pay to the Company the sum of **\$75,000** dollars, in manner and form as follows:

2.6.1 Payment shall be made in monthly installments as the work progresses based on 90% of the estimated proportion of the work completed in the preceding month with the 10% balance being held and accumulated until final satisfactory completion of the update as defined in 2.2.3.

2.6.2 Payment shall be based on monthly progress reports submitted by the Company and accepted by the Municipality.

3. DETAIL SERVICES TO BE PERFORMED BY THE COMPANY

3.1 Development of Unit Costs:

3.1.1 The Company shall use Marshall & Swift Cost Manual as a basis to develop the costs of residential, commercial and industrial construction in the area and modify those costs by local sales, material costs and prevailing wage rates in the building trades. These shall include architects and engineer's fees, and contractor's overhead and profits. Before using such unit costs, the Company shall make tests using costs against actual sales of buildings whose actual current costs are known, in order to ensure accuracy.

3.1.2 Residential Property Appraisal Schedules. The Company shall use unit cost as the basis of appraisal of residential properties. Schedules shall consist of unit base prices upon definite specifications for houses of various types and quality of construction and reflect the building customs and practices in the community. The schedules shall include adjustment for story height, square foot size and extra features, such as barns, garages, pools, fireplaces, etc.

3.2 Collection of Property Data - No Measure & Listing Except Sales Properties Used in the Preliminary Sales Analysis

3.2.1 All vacant land parcels and any attributes that may affect the market value shall be listed accurately. Such attributes may include, but not be limited to: number of acres; road frontage; neighborhoods; water frontage; water access; views;

topography; easements; deeded restrictions and other factors that might affect the market value.

- 3.2.2** Every principal building(s), shall be accurately measured and listed to account for the specific elements and details of construction as described in the data collection manual. Such elements and details may include, but not be limited to: quality of construction; age of structure; depreciation factors; basement area; roofing; exterior cover; flooring; fireplaces; heating & cooling systems; plumbing; story height; number of bathrooms; number of bedrooms; and, other features, attributes, or factors that might affect market value. (All improvements on the property will be measured but not necessarily listed, ie. sheds, decks, barns, etc.)
- 3.2.3** The Company shall make an attempt to inspect the property and if the attempt is unsuccessful, the Company may:
- (a) Leave a notification card at the property advising the taxpayer that they will receive a letter in the future to call and schedule an interior inspection and;
 - (b) Send a letter to the property owner requesting that the property owner call the Contractor's designee, within a stated time frame as agreed upon by the Municipal Assessing Officials and the Company, to arrange for an interior inspection;
- 3.2.4** If the Company is not able to arrange for an interior inspection or entrance to a building or parcel of land cannot be obtained as detailed in Section 3.2.5 below, the Company shall:
- (a) Estimate the value of the improvements using the best evidence available; and
 - (b) Annotate the property record card accordingly.
- 3.2.5** The Company shall complete interior inspection of all properties except:
- (a) Vacant or unoccupied structures;
 - (b) Where multiple attempts for inspection have been made without success and the owner or occupant has not responded to the Companies notifications;
 - (c) Where postings prevent access;
 - (d) Unsafe structures;
 - (e) When the owner has refused access to the Company;
 - (f) When inhabitants appear impaired, dangerous or threatening; and,
 - (g) Any other reason for which the Municipal Assessing Officials agree that the property is inaccessible.
- 3.2.6** Commercial and Industrial property, whether rented or not, may have its earnings or estimated earnings capitalized as another means of developing the properties market value.

3.2.7 The Company shall provide to Municipality a complete copy of the: field data collection card(s).

3.3 Market Analysis:

3.3.1 A DRA Certified Property Assessor Assistant under the guidance of a DRA Certified Property Assessor or Supervisor may validate sales data. A DRA Certified Property Assessor Supervisor shall prepare the full market analysis.

3.3.2 In order to ensure that appraisals will reflect full and true value, the Municipality shall provide to the Company a copy of all property transfers for a period not to exceed two (2) years immediately preceding the effective date of the update.

3.3.3 A market analysis shall be conducted using accepted appraisal methods in order to determine land, building and total property values. Such accepted methodology shall include the consideration of all sales given by the municipality to the Company and their inclusion in the sales section of the UPSAP report with appropriate notations for those sales not used in the correlation of values.

3.3.4 All qualified property sales shall be included in the USPAP report by photocopy or printout of the property assessment record card and a photograph of the principal buildings shall be attached thereto. A list of all unqualified sales will also be provided.

3.3.5 The sales price and terms of the sale shall be verified by the Company and a notation as to qualified or unqualified transaction with unqualified sales noted as to reason made on the property assessment record card along with the sale price, date of the sale, and date of inspection.

3.3.6 Land values shall be determined from land only sales whenever possible, however, in the absence of an adequate number of land sales, the appraiser may use the land residual technique to assist him in the determination of land values. The analysis shall show the sale price, adjustments made and final value as of the effective date of the update.

3.3.7 The indicated land values shall be shown as, but not limited to, front foot, square foot, front acre or rear acre units or other appropriate units of comparison.

3.3.8 The preliminary market analysis showing the sales used and the analysis to indicate property values, including front foot, square foot or front acre, rear acre unit values, or other appropriate units of comparison shall be delivered to the Municipal Assessing Officials prior to the notification to taxpayers of preliminary values. Final market analysis will be printed and provided to the Municipal Assessing Officials as part of the USPAP report.

3.4 Value Notification & Informal Reviews.

- 3.4.1** The Company shall provide the Municipal Assessing Officials with a list of newly established values for review and a sample notice that specifies the dates to call for scheduling an informal hearing.
- 3.4.2** The Company shall mail, first class, to all property owners a notice of the newly estimated value of the property. Such notice shall also contain instructions for online access for 30 days for their ease in review and comparing assessments and an indication of where else this information is available, ie, the Library, Town Hall, etc. for review. The notice shall also contain the date, time and location of the informal review process including instructions on obtaining an informal review.
- 3.4.3** The informal review process shall include a **10** day window for property owners to call and schedule an appointment which will occur at a later date. The informal review process may be monitored by the Municipal Assessing Officials or their designee. The Company shall ensure that an informal review of the newly estimated property values is provided to all property owners who request such review during the timeframe allowed for setting up appointments.
- 3.4.4** The Company shall notify all property owners addressed during the informal reviews of the disposition of their review stating whether or not a change in value has resulted and the amount thereof and will contain information regarding the abatement/appeal process.

3.5 Manual of Appraisal:

- 3.5.1 Final Appraisal Report.** This report shall follow closely the most recent edition of Uniform Standards of Appraisal Practice (USPAP) Standard 6. The report shall contain the following sections:
1. A Letter of Transmittal.
 2. A Certification Statement.
 3. A section including the contracted Scope of Work.
 4. A section detailing sales, income, and cost approaches to value including all valuation premises.
 5. A section including all tables pertinent to the valuation process along with any schedules for the valuation of residential, commercial, industrial, manufactured housing and exempt properties.
 6. A section including statistical analysis and testing.
 7. A neighborhood/sales map.
 8. A section detailing all CAMA system codes/tables.
 9. A section detailing the data collection process.

The Company shall instruct the Municipal Assessing Officials or their designee in the use of the manual so that they will have an understanding of the appraisal process being utilized. Upon completion of the revaluation/update, the Company shall deliver one electronic copy and one hard copy of the report to the Municipal Assessing Officials and one copy to the DRA.

3.6 Property Record Cards:

- 3.6.1** The Company shall prepare property record cards 8-1/2 x 11 inches for each separate parcel of property in the municipality. Sales information is detailed on the front of the card to the right of owner information and includes grantor, date of sale, and consideration amount, qualification code and indicator of whether improved (I) or vacant (V).
- 3.6.2** The cards shall be arranged based on the Town's CAMA system design, as to show the owner's name, street number, or other designation of the property and the mailing address of the owner, together with the necessary information for determining land value, the number of acres of the parcel, the land classification, any adjustments made to the land values and the value of the improvements to the land.
- 3.6.3** The card shall be so arranged as to show descriptive information of the buildings, pricing detail, depreciation allowed for physical, functional and economic factors and an outline sketch of all principal buildings in the parcel. The property record cards shall be provided in map, lot and subplot sequence and will detail the base valuation year and the print date of the property record card.
- 3.6.4** Any coding used by the Company on the property record card will be clearly explained elsewhere on the card or in the USPAP report.
- 3.6.5** The initial's of the Company's employee who measured and/or listed the property shall be noted on each property record card, along with 3rd and 4th characters that describe the reason for the visit and what was done, ie, M=measured, L=measured & listed. A detailed explanation of these codes is outlined in the USPAP report.

4. APPEAL - PROCEDURE NOTIFICATION.

If any property owner believes their assessment is unfair and wishes to appeal for abatement, they **SHALL FIRST APPEAL TO THE LOCAL ASSESSING OFFICIALS** in writing, by March 1, in accordance with RSA 76:16. Forms for this purpose may be obtained from the local Assessing Officials. The **MUNICIPALITY** has until July 1 following notice of tax to grant or deny the abatement. If the property owner is dissatisfied with the decision of the local assessing authority, or the taxpayer does not receive a decision, the taxpayer may exercise **ONE** of the following options:

OPTION NUMBER 1

The taxpayer may **APPEAL TO THE BOARD OF TAX AND LAND APPEALS, 107 PLEASANT STREET, CONCORD, NEW HAMPSHIRE 03301**, in writing, after receiving the **MUNICIPALITY'S** decision or after July 1 and no later than September 1 after the date of the notice of tax, with a payment of an application fee as set by the Board (RSA76:16a)

OPTION NUMBER 2

The taxpayer may **APPEAL BY PETITION TO THE SUPERIOR COURT IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED** on or before September 1 following the date of notice of tax. (RSA 76:17)

NOTE: An appeal to the State Board of Tax and Land Appeals shall be deemed a waiver of any right to petition the Superior Court (RSA 71-B:11)

5. HOW THE COMPANY VALUES PROPERTY

5.1 Replacement cost shall be computed using the schedules described in section 3.2. These values shall then be depreciated according to age, condition, utility and desirability and the appropriate amount of physical, functional and economic depreciation shall be shown on each property record card, or shown as a composite adjustment based on condition, utility and desirability.

5.2 If the residential property contains 4 or more separate apartments or residential areas and if the rental charges are at market level, the earnings may be examined to establish a basis of rent capitalization to be used as a comparison to other property indications of value.

5.3 Before the final values are estimated, a DRA Certified Property Assessor Supervisor shall compare the preliminary values with the sales utilized in the sales survey to ensure all values reflect the market as of April 1 of the year of the revaluation.

5.4 When computations of the data obtained from the inspection have been completed a final review shall be made by a DRA Certified Property Assessor Supervisor parcel by parcel, block by block, to identify and correct any mechanical errors, unusual features or anything influencing the final value and to ensure all properties are valued at their highest and best use.

6. CONDUCT OF VALUATION OF PUBLIC UTILITY PROPERTY

6.1 Utility property will be valued by Avitar considering the three approaches to value like any other property in town, where applicable. We will first consider the cost approach (RCNLD), then the income approach, if applicable and if data exists. Then the market sales approach, based on small self contained utilities, will be used when arms length sales exist that are not governed by state or federal agencies and lastly, the NH DRA value opinions, or any combination we feel appropriate unless directed otherwise by the town in writing.

7. ABATEMENT & TAX APPEALS

The Company agrees to furnish the services of a qualified representative to support the values established for the revaluation tax year upon local abatements without cost. Appeals to the N.H. Board of Tax and Land Appeals or Superior Court, in all cases where the appeals have been entered within the time prescribed by law will be billed as part of the general assessing agreement in place or \$125/hour, if no agreement in place. "Any legal fees incurred are the sole responsibility of the town." In the case of an appeal upon Public Utility property that has been appraised by the Company, the prevailing rate will be charged (currently \$125/hr), the services of an expert may be required and the charge shall be **\$1,500** per day plus expenses. The Company shall continue to be responsible for providing a qualified representative to support the established value even if the Municipal Assessing Officials have reduced the value as part of the proceedings defined in RSA 76:16. However, if the Municipal Assessing Officials increase any value established by the Company, they forfeit their right to Company representation.

8. SERVICES TO BE PERFORMED BY THE MUNICIPALITY/CITY

8.1 The Municipality shall notify the Company, in writing, what property is exempt from taxation or for any reason dangerous or unsafe, so special arrangements can be made.

8.2 Office Space and Equipment.

The Municipality shall provide suitable office space with desks, tables, telephone access and chairs for the use of the agents and employees of the Company in performing their necessary work, if requested.

8.3 Records and Maps.

The Municipality shall furnish to the Company information pertaining to ownership of all property in the Municipality, the physical location of all property, including two sets of up-to-date tax maps, zoning maps, charts, plans and sales information which may be requested by the Company in performing its work under this contract. If updated tax maps are not provided (consistent with the April 1st assessing records), then an additional fee may be charged. Maps must show lot size and road frontages. If lot size and road frontage is not on the maps, it must be provided by the town with the maps. Building permits, along with plans for any subdivisions, lot line adjustments, mergers, etc. shall be provided.

8.4 Sales Information.

The Municipality shall keep the Company informed of all sales of property taking place during the progress of the update of which it has knowledge, shall make corrections on municipal maps as of April 1 of the update year where lots have been subdivided, merged or apportioned , and notify the company of all ownership, name and address changes.

9. INDEMNIFICATION AND INSURANCE

9.1 The Company agrees to indemnify the Municipality against claims for bodily injury, death and property damage which arises through the company's actions in the course of the Company's performance of the agreement.

9.2 The Company shall not be responsible for consequential or compensatory damages arising from the late performance or non-performance of the agreement caused by circumstances which are beyond the Company's reasonable control.

9.3 The Company shall maintain Public Liability Insurance, Automobile Liability Insurance and Workmen's Compensation Insurance.

9.3.1 The Public Liability Insurance shall be in the form of commercial general liability with the inclusion of contractual liability coverage and shall provide limits of \$1,000,000 each occurrence for bodily injury liability, and \$1,000,000 each occurrence for property damage liability.

9.3.2 The Automobile Liability Insurance shall be in the form of comprehensive automobile liability and shall provide limits of \$1,000,000 each occurrence for bodily injury liability. A copy of the insurance certificate shall be forwarded to the Department of Revenue Administration before starting any work.

9.4 The Company shall maintain certificates of insurance on record with the Department of Revenue before starting the revaluation confirming the required insurance coverage and providing that the State shall receive ten (10) days written notice of the cancellation or material change in the required insurance coverage.

10. PERFORMANCE BOND

The Company, before starting any update/revaluation work shall deliver to the Municipality an executed bond or irrevocable letter of credit in the principal sum of the amount to be paid by the Municipality to the Company, if required, as provided in subparagraph 2.6, as security for the faithful and satisfactory performance of this contract and shall not expire before final values are submitted to and implemented by the assessing officials. A copy of the bond or irrevocable letter of credit shall be forwarded to the Department of Revenue Administration before starting any work. Any cost for bond or letter of credit, if requested, is in addition to the cost of the contract as specified in Section 2.6 and detailed in the "Agreement Execution" section found on page 11.

11. PROJECT SIZE

It is agreed between the parties that the entire project consists of an estimate of 10,869 tracts as defined by RSA 75:9, and that in the event that the number should exceed 100% of said estimate, the company shall be entitled to additional remuneration based on \$55 per parcel/tract. In the event of missing utility parcels, the additional cost is \$1,500 per utility property.

12. **ADDENDUMS AND APPENDIXES**

- **No measure and listing, sales properties to be measured and listed by Assistant Assessor, Mike Rotast.**
- **If changes in the law (that occur after signing of the contract) affect the deliverables as noted in this contract, additional fees may be assessed to cover the cost to comply and produce newly required products. This will be communicated in writing to the municipality as soon as it becomes known.**
- **Town staff to assist with field review process and informal hearings**

Agreement Execution

**Bond Required by Town Please Check One & Initial: Yes No*

Additional Cost of \$3,000

New Total, If Bond Required \$78,000

Total Number of Parcels 10,869

In the presence of:

Municipality of: Merrimack, N.H.

Witness

By: _____
Eileen Cabanel, Town Manager

Date: _____

In the presence of:

Company: Avitar Associates of N.E., Inc.

Witness

By: _____
Loren J. Martin, President of Assessing Operations
or Gary J. Roberge, CEO

Date: _____

AVITAR PERSONNEL THAT MAY WORK ON THE PROJECT

<u>ID</u>	<u>EMPLOYEE</u>	<u>AVITAR POSITION</u>	<u>NH DRA CERTIFICATION</u>
GR	Gary J Roberge	CEO, Sr Assessor	Certified Property Assessor Supervisor
LM	Loren J Martin	President, Sr Assessor	Certified Property Assessor Supervisor
MS	Mark Stetson	Assessor/Supervisor	Certified Property Assessor Supervisor
JR	Jonathan Rice	Assessor	Certified Property Assessor
ER	Evan Roberge	Assessor Assistant	Certified Property Assessor Assistant