



INTER-OFFICE MEMORANDUM
FROM THE DESK OF
ANGELA L. SILVA, ASSESSOR

TO: WILLIAM MANZI, TOWN MANAGER &
BOARD OF SELECTMEN

DATE: MARCH 1, 2020

SUBJECT: EDUCATIONAL SESSION ON ABATEMENTS

First of all I apologize for not being at the meeting on the 2nd of March. I had laryngitis all weekend and still could not speak well.

I understand that an educational session is needed on the abatement process.

NH, and probably all states, have an abatement law for property taxes. Attached is RSA 76:16 which is NH's abatement law. This is any property owner's legal right to appeal their final tax bill that they have already received and has already been committed to the Tax Collector for the year. Again this process is necessary after you receive your final tax bill (December tax bill) to receive anything back on that year's taxes.

In short (under 1 (b) "any person aggrieved by the assessment of a tax by the selectmen or assessors and who has complied with the requirements of RSA 74 (the inventory law which we do not require) may, by March 1st, following the date of notice of tax under RSA 76:1-a, and not afterwards, apply in writing on the form set outto the selectmen or assessors for an abatement of the tax.

II. Upon receipt of an application under paragraph I(b), the selectmen or assessors shall review the application and shall grant, for good cause shown, or deny the application in writing by July 1st

Also attached is a blank copy of the abatement application which is developed by the Board of Tax and Land Appeals. On page 3, at the top, it lists some possible reasons for an abatement.

1. Physical data – incorrect description or measurement of the property,
2. Market data – the property’s value on April 1st, (2019 in this case), assessment date, supported by comparable sales, income analysis or a professional opinion of value, and/or
3. Assessment data – the property’s assessment exceeds the general level of assessment shown by comparing the property’s assessment with assessments on other properties in the Tow of Seabrook.

Under Assessment data, people compare their property to other similar properties in their neighborhood and usually have a reason why theirs isn’t as valuable or is more like the other persons. (Sometimes this is because there is a force outside their property that they feel devalues their property. Such as the Wilson case. I would like to discuss this case further and if you still wish to keep your denial that’s ok. I just wanted to discuss it where I wasn’t present at the last meeting.)

I have also attached RSA 76:21– Prorated Assessments for Damaged Buildings law for the Joseph Jones abatement. This law states that if your structure is damaged due to an intended fire or natural disaster, to the extent that it renders it unusable, the assessing officials shall prorate the assessment for the building for the current tax year.

As a second thought, if you come in to see me before the MS–1 is submitted, or any earlier time of the year, I can adjust as I determine fair before the bill is sent out. In cases such as this there would be no need for an official tax abatement as the adjustment was already calculated into the year’s tax bill.

If you come in after March 1st, we can look at your property for the coming year.

During revaluations in the past, when we did them every 10 years or more, it was common to receive up to 10% of the number of properties as tax abatement applications. (that would be 400 for Seabrook). Nowadays, where there are revaluations at least every 5 years, there are fewer. It is common for me now to receive as low as 10 in a good year. And as many as 50 to 100 in a bigger revaluation year. Bigger meaning bigger value changes. This year I have under 10.

When I do a re-assessment the values are generally where I am comfortable. But it is impossible to know every little thing about every property. And taxpayers have a right to come in and discuss their properties for accurateness and I welcome that. When a person comes in to discuss their property I review their property for errors that are objective like dimensions, different described areas of the home such as living area basements and porches etc., number of bedrooms, baths, fireplaces, sheds etc. And then there are subjective adjustments to consider such as quality of the construction, condition of the home and economic factors or factors outside the property that may affect value. Handling these "subjective" adjustments come with experience, time served working on assessments and good time served as an assessor doing all that I do.

Not to be read I public:

(When someone or a group of people come in and talk with me about something and it affects a few properties, if I feel it is a valid reason, I will adjust those few that a feel are affected. This hardly ever happens but it can. Such as with the Premier Recycling case. Residential properties that abut commercial properties do sell for less money in most cases. Unless there's a chance for them to be commercial also. A neighbor with considerable garbage on their front yard will affect your value especially for a higher end home. Like on Blacksnake Rd, And a closely located neighbor who makes a lot of noise or causes vibrations or odors like a dumpster factory for example, or a Rock plant can affect one's value. One's home is usually their largest expense and asset. And to have spent 3-400,000 on your retirement home and then 8 years into it to have to put up with vibrations on a weekly basis is the worst of it I feel. The bangs ok you can get used to them if they are not all the time. But if your house is shaking or vibrating and your pictures are tilting can you imagine what else it can be doing to your home? The 5%

adjustment that I am giving them is a minor adjustment recognizing the issue. It gives them a sense that they are being heard and recognizes the issue.)

In commercial and industrial properties, I also am pretty comfortable generally with these properties when I do an update. When these properties appeal they usually hire a company that does this for a living, and the discussions are much more in depth and consider income analysis, sales of similar properties in other towns and states and quality and condition of the building itself.

If you have any questions, please feel free to contact me or I will be at the meeting.

TITLE V TAXATION

CHAPTER 76 APPORTIONMENT, ASSESSMENT AND ABATEMENT OF TAXES

Abatement

Section 76:16

76:16 By Selectmen or Assessors. –

- I. (a) Selectmen or assessors, for good cause shown, may abate any tax, including prior years' taxes, assessed by them or by their predecessors, including any portion of interest accrued on such tax; or
(b) Any person aggrieved by the assessment of a tax by the selectmen or assessors and who has complied with the requirements of RSA 74, may, by March 1, following the date of notice of tax under RSA 76:1-a, and not afterwards, apply in writing on the form set out in paragraph III to the selectmen or assessors for an abatement of the tax. The municipality may charge the taxpayer a fee to cover the costs of the form required by paragraph III.
- II. Upon receipt of an application under paragraph I(b), the selectmen or assessors shall review the application and shall grant, for good cause shown, or deny the application in writing by July 1 after notice of tax date under RSA 76:1-a. The failure to respond shall constitute denial. All such written decisions shall be sent by first class mail to the taxpayer and shall include a notice of the appeal procedure under RSA 76:16-a and RSA 76:17 and of the deadline for such an appeal. The board of tax and land appeals shall prepare a form for this purpose. Municipalities may, at their option, require the taxpayer to furnish a self-addressed envelope with sufficient postage for the mailing of this written decision.
- III. The abatement application form shall be prescribed by the board of tax and land appeals. The form shall include the following and such other information deemed necessary by the board:
- (a) Instructions on completing and filing the form, including an explanation of the grounds for requesting tax abatements, including abatements for poverty and inability to pay pursuant to RSA 76.
 - (b) Sections for information concerning the person applying, the property for which the abatement is sought and other properties in the municipality owned by the person applying.
 - (c) A section concerning compliance with the RSA 74 inventory requirement.
 - (d) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or part.
 - (e) A section requiring the applicant to state with specificity the reasons supporting the abatement request with an explanation of what specificity means.
 - (f) A section for the applicant to list any comparable properties supporting an abatement request.
 - (g) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.
 - (h) The statement: "If an abatement is granted and taxes have been paid, interest on the abatement shall be paid in accordance with RSA 76:17-a. Any interest paid to the applicant must be reported by the municipality to the United States Internal Revenue Service, in accordance with federal law. Prior to the payment of an abatement with interest, the taxpayer shall provide the municipality with the applicant's social security number or federal tax identification number. Municipalities shall treat the social security or federal tax identification information as confidential and exempt from a public information request under RSA 91-A."
- IV. Failure to use the form prescribed in paragraph III shall not affect the right to seek tax relief.

Source. RS 44:1. CS 47:1. GS 53:10. GL 57:11. PS 59:10. PL 64:13. 1939, 46:1. RL 77:13. RSA 76:16. 1967, 180:1. 1990, 49:1. 1991, 386:3, 5. 1992, 175:1. 1993, 86:1. 1994, 91:1, 2; 393:3. 1995, 265:16. 1997, 189:1. 2002, 217:1. 2004, 203:12, eff. June 11, 2004. 2014, 175:1, eff. Sept. 9, 2014.

TITLE V TAXATION

CHAPTER 76 APPORTIONMENT, ASSESSMENT AND ABATEMENT OF TAXES

Prorated Assessments for Damaged Buildings

Section 76:21

76:21 Prorated Assessments for Damaged Buildings. –

- I. Whenever a taxable building is damaged due to unintended fire or natural disaster to the extent that it renders the building not able to be used for its intended use, the assessing officials shall prorate the assessment for the building for the current tax year. For purposes of this paragraph, an unintended fire means a fire which does not arise out of any act committed by or at the direction of the property owner with the intent to cause a loss.
- II. The proration of the building assessment shall be based on the number of days that the building was available for its intended use divided by the number of days in the tax year, multiplied by the building assessment.
- III. A person aggrieved of a property tax for a building damaged as provided in paragraph I shall file an application with the assessing officials in writing within 60 days of the event described in paragraph I or by March 1, whichever is later.
- IV. Proration of the assessment shall be denied if the assessing officials determine that the applicant did not meet the requirements of this section or acted in bad faith.
- V. The total tax reduction from proration under this section for any city or town shall be limited to an amount equal to 1/2 of one percent of the total property taxes committed in the tax year. If the assessing officials determine that it is likely that this limit will be reached, the proration shall not be applied to any additional properties.
- VI. Nothing in this section shall limit the ability of the assessing officials to abate taxes for good cause shown pursuant to RSA 76:16.
- VII. Appeals of a decision under this section shall be to the board of tax and land appeals or the superior court as set forth in RSA 76:16-a or RSA 76:17.

Source. 2012, 169:2, eff. April 1, 2013. 2018, 282:8, eff. Jan. 1, 2019.

TAXPAYER'S RSA 76:16 ABATEMENT APPLICATION TO THE TOWN OF SEABROOK

Tax Year Appealed 2019

INSTRUCTIONS

1. Complete the application by typing or legibly printing. **This application does not stay the collection of taxes; taxes should be paid as assessed. If an abatement is granted, a refund with interest will be made.**
2. File this application with the Town of Seabrook by the deadline (see below). Date of filing is the date this form is either hand delivered to the Town of Seabrook, postmarked by the post office, or receipted by an overnight delivery service.

Deadlines: "Notice of tax" means the date the Board of Tax and Land Appeals determines the last tax bill was sent by the Town of Seabrook. (The Town of Seabrook bills twice annually, you must apply after the bill that establishes your final tax liability and not before).

Step One: Taxpayer must file the abatement application with the Town of Seabrook by March 1, 2020 following notice of tax (defined above).

Step Two: The Town of Seabrook has until July 1, 2020 following notice of tax to grant or deny the abatement application.

Step Three: Taxpayer must file appeal with the board of tax and land appeals (RSA 76:16-a) or the superior court (RSA 76:17) but not with both:

- 1) no earlier than: a) receiving the Town of Seabrook's decision on the abatement application; or b) July 1, 2020 following final tax bill if the Town of Seabrook has not responded; and
- 2) no later than September 1, 2020 following notice of tax.

3. **SECTION E.** Municipalities may abate taxes "for good cause shown" RSA 76:16. Good cause is generally established by showing an error in the assessment calculation or a disproportionate assessment. Good cause, however, includes other grounds.
4. **SECTION F.** If request is based on disproportionate assessment, the taxpayer has the burden to show the assessment was disproportionate. To carry this burden, the taxpayer generally must show what the property was worth on April 1st of the year appealed. This value and the assessment would then be compared to other assessments in the Town of Seabrook. Therefore, comparable properties are an essential part of most abatement applications.
5. Make a copy of this form for your file.

Town File No. : _____
Taxpayer Name: _____

RSA 76:16 ABATEMENT APPLICATION TO THE TOWN OF SEABROOK

SECTION A. Person(s) Applying (Owner/Taxpayer)

Name: _____

Mailing Address: _____

Telephone Number:(Work)_____ (Home)_____

*If an abatement is granted and taxes have been paid, interest on the abatement must be paid in accordance with RSA 76:17-a. Any interest paid to the taxpayer must be reported by the Town of Seabrook to the Internal Revenue Service; when applicable, funds payable shall be withheld until the Town of Seabrook obtains either the taxpayer's social security number or federal ID number.

SECTION B. Representative if other than Person(s) Applying (must also complete Section A)

Name: _____

Mailing Address: _____

Telephone Number:(Work)_____ (Home)_____

SECTION C. Property(s) for which Abatement is Sought

List the parcel identification number and the actual street address and town of each property for which abatement is sought and include a brief description and the assessment.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Assessment</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

THE TOWN OF SEABROOK DOES NOT REQUIRE AN INVENTORY BLANK.

SECTION D. Other Property

List other property in the Town of Seabrook owned by person(s) applying, even if abatements for the other properties have not been sought. The taxpayer's entire real property estate must be considered in determining whether the appealed property is disproportionately assessed.

<u>Town Parcel ID#</u>	<u>Street Address/Town</u>	<u>Assessment</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION E. Reasons for Abatement Application

An abatement may be granted for "good cause shown." Generally, this means a disproportionate assessment or an assessment based on an error. It can also include other reasons. This form is based on a disproportionate or erroneous assessment. If your request is based on other reasons, please state them with specificity. If the application is based on a disproportionate assessment, the taxpayer has the burden to prove disproportionality. Therefore, state with specificity all of the reasons supporting your application. Statements such as "taxes too high," "disproportionately assessed" or "assessment exceeds market value" are insufficient.

Generally, specificity requires the taxpayer to present material on the following (all may not apply):

- 1) **physical data** -- incorrect description or measurement of property;
- 2) **market data** -- the property's value on the **April 1, 2019**, assessment date, supported by comparable sales, income analysis or a professional opinion of value; and/or
- 3) **assessment data** -- the property's assessment exceeds the general level of assessment shown by comparing the property's assessment with assessments on other properties in the Town of Seabrook.

Attach additional sheets if needed. Note: If you have an appraisal or other documentation, please submit it with this application.

On April 1, 2019, the fair market value of the property(s) was \$ _____

SECTION F(1). Sales and/or Assessment Comparisons

List the properties you are relying upon to show over-assessment of your property. (Attach additional sheets if necessary).

<u>Town Parcel ID#</u>	<u>Street Address</u>	<u>Sale Price</u>	<u>Date of Sale</u>	<u>Assessment</u>

SECTION F(2). Actual and Comparable Rental Information

The following section is for **income producing** properties only. List the actual rent of the property for which the abatement is sought and, if applicable, rents of comparable properties. (Attach additional sheets if necessary). Please attach a rent roll and an income and expense statement for the 2017 and 2018 tax year.

<u>Tenant Name</u>	<u>Location</u>	<u>Size of Rental (sf, # bedrooms, etc.)</u>	<u>Monthly Rent</u>	<u>Expenses paid by Tenant</u>

SECTION F(3). Sales Information of the Property Appealed

If the property appealed has sold in the last three years please provide the following information and attach a copy of the Purchase and Sales Agreement.

<u>Grantor</u>	<u>Grantee</u>	<u>Date of Sale</u>	<u>Sale Price</u>	<u>Arms Length (Y/N)</u>	<u>Comments</u>

SECTION G. Certification by Person(s) Applying

Pursuant to BTLA TAX 203.02(d), the applicant **MUST** sign the application. By signing below, the person(s) applying certifies and swears under the penalties of RSA ch. 641 the application has a good-faith basis and the facts stated are true to the best of my/our knowledge.

Date: _____ (Signature)

(Signature)

SECTION H. Certification and Appearance by Representative (If Other Than Person(s) Applying)

By signing below, the representative of the person(s) applying certifies and swears under penalties of RSA ch. 641:

- 1) All (certifications) in Section G are true;
- 2) The person(s) applying has authorized this representation and has signed this application; and
- 3) A copy of this form was sent to the person(s) applying.

Date: _____ (Representative's Signature)