

THE STATE OF NEW HAMPSHIRE
BOARD OF TAX AND LAND APPEALS

**IN RE: TOWN OF HAMPTON
DOCKET NO.: 31316-25RA**

Contents

Background	1
Position of Parties	2
Applicable Statutory Authorities and Administrative Rules	2
RSA 71-B:16, III and IV Order for Reassessment.	2
RSA 71-B:16-a Criteria for Ordering Reassessment.....	2
RSA 75:8-a Five-Year Valuation.....	3
Rev 601.23 “Full revaluation”	3
Rev 601.24 “Full statistical revaluation”	3
Analysis, Findings, and Rulings.....	3
Criteria I and II	3
Criteria III	5
Criteria IV	7
Criteria V	9
Summary	9

REASSESSMENT ORDER

For the Petitioners: Joan Gootee and Charles Porritt, Lead Petitioners

For the Town: Susan A. Lowry, Esq.; Paul McKenney, Scott Marsh, and Edward Tinker with
Municipal Resources, Inc., the Town’s contracted assessor; and James Sullivan, Town Manager

Background:

A detailed procedural background was provided in the board’s December 11, 2025 Supplemental Show Cause Order & Notice of Hearing (the “Order”). After the Order was issued, the board held a hearing on February 11, 2026 (the “February Hearing”) at which it received testimony from Ms. Gootee for the Petitioners and Mr. McKenney, Mr. Marsh,

Mr. Tinker, and Mr. Sullivan for the Town. The Town submitted Exhibits G through N (Exhibits A through F were submitted at the April 2, 2025 Hearing). Staff members of the department of revenue administration (“DRA”) attended the hearing as well as several observers and taxpayers.

Position of Parties:

The Petitioners argue that the Town should be required to complete a reassessment, including a full measure and list for the reasons stated in the January 6, 2025 Petition as well as the board’s Order that included the results of the board’s investigation into the Town’s assessing practices. The Town argues there is no need for a reassessment order because: the most recent ratio studies indicate acceptable assessment equity; the 2024 revaluation was conducted by experienced, professional assessors and its results were approved by the DRA; the issues noted by the Petitioners and the board were property specific, not systemic; and only a small number of corrections needed to be made.

Applicable Statutory Authorities and Administrative Rules:

RSA 71-B:16, III and IV Order for Reassessment:

The board may order a reassessment of taxes previously assessed or a new assessment to be used in the current year or in a subsequent tax year of any taxable property in the state:

III. When in the judgment of the board, determined in accordance with RSA 71-B:16-a, any or all of the property in a taxing district should be reassessed or newly assessed; or

IV. When a complaint is filed with the board alleging that all of the taxable real estate or taxable property in a taxing district should be reassessed or newly assessed for any reason, provided that such complaint must be signed by at least 50 taxpayers or 1/3 of the property taxpayers in the taxing district, whichever is less;

RSA 71-B:16-a Criteria for Ordering Reassessment:

Prior to making any determination to order a reassessment or a new assessment under RSA 71-B:16, III, the board shall give notice to the selectmen or assessors of the taxing district and, if requested, hold a hearing on the matter at which the selectmen or assessors shall have the opportunity to be heard. The board shall not order any such reassessment or new assessment unless it determines a need therefor utilizing the following criteria:

- I. The need for periodic reassessment to maintain current equity.
- II. The time elapsed since the last complete reassessment in the taxing district.
- III. The ratio of sales prices to assessed valuation in the taxing district and the dispersion thereof.

- IV. The quality of the taxing district's program for maintenance of assessment equity.
- V. The taxing district's plans for reassessment.

RSA 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.

Rev 601.23 “Full revaluation” means the revaluation of all taxable and nontaxable properties in a municipality, with a complete measure and listing of all taxable and nontaxable properties to occur at the same time of the establishment of the new base year, to arrive at full and true value as of April 1. The term includes “full reappraisal” and “full reassessment.”

Rev 601.24 “Full statistical revaluation” means the process of a revaluation of all taxable and nontaxable properties in a municipality, using existing property data, to arrive at full and true value as of April 1. The term includes “statistical update” and “statistical reassessment.”

Analysis, Findings, and Rulings:

Criteria I and II (The need for periodic reassessment to maintain current equity and the time elapsed since the last complete reassessment in the taxing district)

To satisfy its requirements under RSA 75:8-a, the Town contracted with Municipal Resources, Inc. (MRI) to complete a full statistical revaluation for tax year 2024, a full five years after a 2019 full statistical revaluation. The Town's assessing history was detailed in the board's Order (pages 15–16), but the Town was unable to provide any assessing history prior to its hiring of Mr. Tinker as its assessor between 2008 and 2009. While the Town completed statistical reassessments in 2016, 2019, and 2024, it has not completed a full measure and list of all properties for at least 20 years.

The 2016, 2019, or 2024 reassessments have not separately or collectively encapsulated all the property listing and market data investigation and analysis that is required in a full revaluation for the board to conclude they constitute, or are a substitute for, a complete reassessment. The Town reportedly started a cyclical inspection process in 2008 but was unable to complete it. *Order*, p. 16. While the board is mindful of the parallel requirements in RSA 75:8-a and Part II, Article 6 of the New Hampshire Constitution requiring revaluation (or valuation anew) every five years but not necessarily physical inspections, the commonly accepted standards for mass appraisal established by the *International Association of Assessing Officers* (“IAAO”) at Section 3.3.4 states that physical reviews, including an on-site verification of property characteristics, should be conducted at least every 4 to 6 years.

In short, while properly performed assessment updates can, in the short term, be a substitute for a complete reassessment and fulfill the legal requirement of valuing property every five years, the less than comprehensive process the Town has utilized during the past several updates is not an adequate substitution for a complete reassessment. The 20 years or more that have elapsed since the last full reassessment are significantly longer than any acceptable standard. *Order*, p. 16.

Additionally, the board is not convinced that the 2024 reassessment completed by MRI satisfied the Town's five-year obligation to reassess all real estate, both taxable and nontaxable. As the board discussed in detail in the Order (pages 12–13) various components of value were carried forward from the 2019 reassessment, such as the per front foot value of waterfront, values of back or excess land, and values of outbuildings and yard items. Mr. McKenney testified he reviewed cost calculator manuals and determined that some of the outbuilding and yard items did not require any changes. He also testified that in the Group Summary by Lot Size Ratio Study (Exhibit A, bates p. 402) the median ratios support his decision to not adjust the backland, excess land, or waterfront values. The board does not agree and finds these processes for updating the assessment models were not based on a comprehensive analysis of market data.

Rather, Mr. McKenney summarized his process as gathering all sales for a two-year period, qualifying those sales, conducting an exterior review, stratification of the sales, and then: "adjusting tables in the CAMA system up to what the sales are indicating and calibrating that model so that all strata are within 0.9 to 1.10. I then apply those tables to all properties and that is what creates equity." This "adjusting" of assessment models without a thorough market analysis by property type, neighborhood, etc., and internal comparison of land and building prices on a per acre or per square foot basis, results in the statistics for the sold properties indicating better assessment equity than what really exists for the unsold properties. See *In re: Town of Meredith Reassessment*, BLTA Docket No. 19388-02RA, Order dated May 5, 2004.

Without assessment updates that include comprehensive and municipal-wide market data investigation and analysis such as sales surveys, development of unit costs from generally accepted replacement cost manuals adjusted for local construction costs, revisiting depreciation schedules, reviewing the physical data and neighborhood codes and other cost or valuation modifiers, such updates quickly lose the relationship to market value required by RSA 75:1. The resulting ratio studies based on sales that are utilized in performing the updates produce self-fulfilling results as to assessment equity. *Id.*

Criteria III (The ratio of sales prices to assessed valuation in the taxing district and the dispersion thereof)

As discussed in the Order (pages 14–15) the 2024 Reassessment produced overall statistics that are generally within the standards promulgated by the IAAO and adopted by the ASB. However, after Mr. McKenney’s testimony at the February 11, 2026 Hearing, the board reviewed various ratio studies and finds that many are misleading. Several of these ratio studies are discussed below. A commonly recurring issue is the inclusion of all 673 qualified sales instead of selecting relevant sales for each study.

Lot Size Ratio Study:

Mr. McKenney testified about this ratio study that included all 673 qualified sales, stratified by eight categories of lot sizes. *Exhibit A*, bates p. 402. Upon closer review, it included 403 sales that own no land in fee.¹ Said another way, 60% of the sales included in this ratio study, grouped by lot size, do not include a lot. *Id.*, pp. 403–422. Whether or not the inclusion of these 403 sales impacts the outcome of the ratio study, their inclusion is misleading because the number of sales in the study is a measure of its reliability: a ratio study with 763 sales has the appearance of being more statistically reliable than a ratio study with 270 sales.

Additionally, Mr. McKenney testified he reviewed three specific strata of lot sizes to support his decision to not adjust for back land, excess land, or waterfront values: 1.0 to 3.0 acres with 22 sales; 3.0 to 5.0 acres with 2 sales; and 5.0 to 10.0 acres with 3 sales. After its review, the board finds this justification not credible for several reasons. First, two of the three strata do not contain enough sales to be considered statistically reliable. Second, Mr. McKenney’s testimony assumes that any property with back or excess land would be over one-acre in size. It ignores the numerous properties in the Town that are assessed only for backland or excess land values, and do not contain a primary site. Finally, this ratio study provides no support for the \$5,000 per foot value of waterfrontage.

Condominium Complex Ratio Study:

This ratio study, stratified by condominium complex code, also included all 673 qualified sales. However, 302 of those sales, or 45%, were not assigned a condominium complex code, and are presumed not to be condominiums. *Id.*, bates pp. 477–503. The remaining 371 sales with condominium codes include: 362 residential condominiums (land use 1021), seven office condominiums (land use 3401); and two that the board could not identify. *Id.*, bates p. 287.

¹ The 403 sales without land included 7 single family homes, 358 condominiums, 23 manufactured homes, 7 trailers, 7 office condominiums, and 1 gym. These are designated land use codes 1011, 1021, 1030, 1031, 3041, and 3760, respectively.

Land Neighborhood Ratio Study:

This ratio study, stratified by neighborhood code², included all 673 properties in the sales analysis. Presumably, all properties in the Town were assigned one of 60 neighborhood codes; however, the ratio study included 11 properties without a neighborhood code. *Exhibit A*, bates pp. 38 and 504–524.

Each of the 60 neighborhood codes have a designated adjustment factor, and many include a general description of the neighborhood. For example, neighborhood GP is used for properties on Glade Path, or MID, which is used for properties on Merrill Industrial Drive. *Id.* However, the most frequently used neighborhood codes are 50, 60, 70, 80, and 90, and they do not contain any description.

More substantially, however, is how neighborhood codes are assigned. In the Order (page 33) the board discussed the assessment of four adjacent properties on J Street (Map 290, Lots 112, 113, 114, and 115), which Mr. Tinker described as a densely developed, mixed-use neighborhood with a heavy seasonal influence. The board agrees, however, the neighborhood codes are assigned based on a property's *use*, not its *location*. The four properties at issue are adjacent to each other, are identical in size and shape, and each has 5,000 square feet with 50 feet of road frontage and a depth of 100 feet. Three of them are described as multi-houses, and one is improved with a multi-story apartment building. Lots 112 and 115 are neighborhood G and Lots 113 and 114 are neighborhood 70. These neighborhood codes, combined with site index, view, and condition factors result in land values of \$471,400, \$622,300, \$497,800, and \$942,800, respectively for Lots 112, 113, 114 and 115. From low to high, these land values vary by 100%. While there could be some variation in the land values for attributes such as view, proximity to amenities, or intensity of use, the board questions the basis of the resultant magnitude of 100%.

Map 290, on which the four properties discussed above are located, includes properties assigned five different neighborhood codes with distinct multipliers: three commercial neighborhood codes and two residential codes. Perhaps the use of a single neighborhood code for properties in a densely developed, mixed use neighborhood with heavy seasonal influence, such as those on Map 290, would be more appropriate. Land values within that neighborhood could, of course, be adjusted by site index for characteristics including visibility on a commercial street or a corner, proximity to the beach or parking, views, and so forth. Conceptually, properties on Maps 289, 292, 293, 295, and 296, could be included in the same

² "Land valuation begins with the understanding that every municipality can be segregated into areas which are differentiated by varying characteristics, such as type and quality of roads, topographic and scenic features such as views and waterfront amenities, approved uses of property, and the quality and/or maintenance of such surrounding uses, etc." *Exhibit A*, bates p. 36.

mixed-use neighborhood as they share many physical characteristics that influence market value.

Site Index Ratio Study:

This ratio study, stratified by site index, includes issues like those in the neighborhood ratio study as it includes two sales with no site index. The list of 26 site index codes in Exhibit A is incomplete because the ratio study includes properties that were assigned six additional site index codes that were not listed. *Exhibit A*, bates pp. 41 and 360–381. Many site index codes provide no description, but instead only list the site index itself and its influence factor. Site Index 5, which includes 502 of the sales in the analysis, is not described further and has an influence factor of 1.0. Compare these with Site Index A, described as Oceanfront and an influence factor of 4.75, or Site Index S, described as Sun Valley, with an influence factor of 2.6. *Id.*

Residential Grade Ratio Study:

This ratio study includes all 673 qualified sales stratified by residential grade. It includes, however, 387 properties that are not assigned a residential grade. *Id.*, bates p. 569. This ratio study, unlike the others discussed above, includes a note that states “The residential grade sales analysis report, is a report from the sales analysis tool in the CAMA system which runs an analysis for properties valued using the the [sic] residential property model. Properties not in the residential model, such as commercial properties, condominiums, mobile homes, or vacant land parcels, are analyzed as a group. In this report, such properties appear as the “other” properties on the above analysis.” *Id.* The board finds the inclusion of these 387 sales misleading, even with the explanation, because they were not valued using the residential model, and the statistics for that “strata” are included in the overall results.

If the Town only included the 286 sales assigned a residential grade, the overall statistics change. For example, the overall median ratio would change from 1.0044 to 0.9383, and the mean ratio would change ratio from 1.0138 to 0.9689. The board is not making a finding that the revised ratios indicate an equity issue but rather uses this example to show the results of the ratio studies in the USPAP Report are influenced by the improper inclusion of sales.

Criteria IV (The quality of the taxing district’s program for maintenance of assessment equity)

The Town has not completed a systematic inspection process in more than 20 years. Instead, the Town has relied upon a process of reviewing some properties when they sell and when a building permit is obtained in order to maintain assessment equity. The board concludes the Town’s existing processes are inadequate for the reasons detailed in the board’s Order (pages 16–22) and for the following reasons.

MRI reviewed the physical data of properties that sold during the sales review period for the 2024 reassessment (April 1, 2022 through March 31, 2024), but only if those sales were determined to be qualified. The Town's general statement that it reviews all sales is not accurate and the Order (pages 18–21) provides 65 examples of properties that sold after the 2019 reassessment but prior to the sales analysis period for the 2024 reassessment but were not inspected.

It appears that the Town attempts to inspect and usually reviews the assessment record cards ("ARCs") of properties that sell during the sales analysis periods for reassessments (typically two years) but does not inspect properties that sell in between reassessment analysis periods. Said another way, the Town inspects or reviews qualified sales in only two out of every five years. Assuming the number of sales remains relatively static from year to year, this translates into the Town reviewing or inspecting only 40% of properties sold in qualified transactions.

The Town does not inspect sales that are determined to be unqualified from the sales analysis period. During the 2024 reassessment, there were a total of 1,722 sales of which 673 were qualified. *Exhibit A*, bates p. 28. It appears, generally, that the Town did not inspect or review the majority of the 1,049 properties sold in unqualified transactions. The board does not imply that all sales provide market value information, but notes that many of those sales were opportunities for the Town to attempt to inspect or to obtain information to confirm the physical data on the ARCs and is another example of why the Town's processes to maintain assessment equity are not sufficient.

At the February 11, 2026 hearing, Mr. Tinker testified 13,411 properties had some variety of "field contact" from 2010 to 2014 and Mr. Marsh testified regarding another 4,324 field contacts from 2019 to 2025 including: 4% interior inspections; 15% information obtained from the taxpayer at the door 15%; and 81% exterior inspections. With a total 10,176 properties, it would appear that most, if not all properties, were inspected or reviewed in some manner. *Exhibit A*, bates p. 16. However, these contacts do not accurately reflect the number of properties inspected because some properties were never inspected and many others were inspected multiple times. One example is 22 Dearborn Avenue sold in February, 2024 and had five field contacts between February 4, 2024 and June 27, 2024. *Order*, p. 25.

Finally, the board continues to have concerns regarding the Town's process of reviewing building permits for "pick-ups." As stated in the Order (page 16), the assessor's inspections frequently do not align with the scope of work on the building permit. As noted at the February 11, 2026 hearing and throughout the Order, hundreds of ARCs have incomplete or incorrect information in the Visit/Change history and in the Notes sections.

Criteria V (The taxing district's plans for reassessment)

Manager Sullivan testified regarding several recent changes in the assessing department, and stated the Town recently hired a part-time assessing clerk. This clerk has been addressing several issues identified by the DRA in the 2023 Assessment Review Report ("ARR") (see Order, pages 8 – 9), including the removal of confidential documents from property files, and reviewing files for properties receiving credits or exemptions as well as current use to ensure compliance.

Manager Sullivan stated that the Town has "learned a lot" through this process, and he testified about his recent meeting with the Board of Selectmen in which they discussed creating written policies and procedures, as well as possibly creating a "safety net" so that a property does not go uninspected for 30 years. Mr. Sullivan stated that "discussions are ongoing" and that the Town will consider hiring a consultant to assist with these tasks.

The Town did not, however, provide any specific reassessment plans, and it appears it intends to continue with its current processes of reviewing and attempting to inspect properties when they sell or obtain a building permit. The board also notes Manager Sullivan testified that in 2023 MRI recommended that the Town complete a reassessment one year earlier due to the Town's non-compliance with acceptable statistics, but the Board of Selectmen decided to not accept MRI's recommendation.

Summary:

The board acknowledges the Town's recent actions to improve the work product of the assessing department, and encourages the Town to continue its progress by drafting written policies and procedures and other measures to address the criteria that were not met in the 2023 ARR.

However, based on the entire record, including the Petition, Exhibits A through N, the analyses in both the Order and this Reassessment Order, the results of the 2023 ARR, and considering the five criteria listed in RSA 71:B-16-a, the board orders the Town to complete a Rev 601.23 full revaluation, including a full measure and list of all properties, no later than for the 2028 tax year. The 2028 full revaluation requires revisiting all neighborhood delineations, land value modifiers including site indices, condition and view factors, condominium codes and factors, and the creation of new land and building assessment models.

In making this Reassessment Order, the board considered the Town's lack of prospective reassessment plans, the lack of written response to the 2023 ARR, and the fact the Town did not accept MRI's recommendation to complete the 2024 reassessment a year earlier.

The board finds it would be ill advised to order the Town to perform reassessment prior to 2028 considering the seasonal nature of the Town and access to many properties will be limited to the summer months. The board concludes that by allowing the Town three summers (2026, 2027 and 2028) to visit and inspect all properties will potentially result in a reassessment that is more transparent and equitable than the 2024 reassessment.

The 2028 full revaluation must comply with all applicable statutes and administrative rules, including RSA 21-J:11, I and the DRA's Part 600 rules for board ordered reassessments. The Town shall notify the board in writing, beginning September 1, 2026 and every six months thereafter, through December, 2027 and, starting January 1, 2028 every three months thereafter until the reassessment is complete, of its status and progress in accordance with Tax 208.06. When signed and approved by the DRA, the Town shall forward a copy of its contract with the assessing firm hired to implement this Reassessment Order to the board.

SO ORDERED

BOARD OF TAX AND LAND APPEALS

Michele E. LeBrun, Theresa M. Walker, and Eric J. Wind, Esq., Members

Certification

I hereby certify a copy of the foregoing Order has this date been mailed, postage prepaid, to: Joan C. Gootee, 29 Salt Meadows, Hampton, NH 03842 and Charles Porritt, 3 Trafford Road, Hampton, NH 03842, Lead Petitioners; Chairman, Board of Selectmen, Town of Hampton, 100 Winnacunnet Road, Hampton, NH 03842; Susan A. Lowry, Esq., Upton & Hatfield LLP, 159 Middle Street, Portsmouth, NH 03801, Municipality Representative; and Lawrence P. Gagnon, Esq., Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301, DRA Counsel.

Anne M. Stelmach, Executive Director

Date: March 17, 2026