



MEMORANDUM

TO : BOARD OF SELECTMEN
FROM: WIL CORCORAN, ASSESSOR'S AGENT

RE : EXEMPTIONS FOR IMPROVEMENTS - DISABILITIES
DATE : NOVEMBER 8, 2006

RSA 72:37-a allows for an exemption for improvements constructed for the purpose of accommodating a resident with a physical defect or limitation. This memo is meant to gain your approval or denial of an office policy set up to address this RSA.

Background:

'Exemptions' under RSA 72:37-a calls for a permanent application for 'exemption' for the cost of items constructed for the purpose of accommodating a handicapped resident.

95% of the time this involves ramps constructed for the purpose of facilitating wheelchairs, often leading to the house, but also occasionally leading from one room to another. It is commonplace around the State for appraisers not to 'pick these items up', that is, not list them on the property record card and make note of the reason for the omission. In this way, there is nothing to exempt and the taxpayer is never billed for these items.

Rarely, a property is constructed with internal arrangements to accommodate handicapped occupants, such as the case with [REDACTED]. This property was designed and built to accommodate handicapped children, including an elevator, wide hallways and doorways, oversized bathroom and rails on the ceiling used to assist in the mechanical-movement of wheel-chaired occupants around the house. The elevator was not 'picked-up' nor were any mechanical features, in the same manner that ramps are not 'picked-up'. In this instance however, the building has excess square footage to accommodate the elevator shaft, wider halls and doorways, etc. In that the appraisal system prices buildings on a square-foot basis, this property is 'over-appraised', or, in appraisal terminology, has 'incurable functional obsolescence'. This translates into a property that has additional features which would not translate into additional value on the market.

We would, in these circumstances, apply a functional obsolescence depreciation to the building value, whether the taxpayer applied for 'exemption' via RSA 72:37-a or not.

In other words, these ramps and additional improvements do not contribute to additional market value for no one, other than handicapped persons, would pay more for these features.

Recommendation:

Accordingly, we recommend that you permit adoption of a policy or procedure where the assessors agent account for these features in assessing the properties as they find them, and do away with the need for a taxpayer needing to apply for exemption for items that carry no market value to begin with. This will streamline and expedite the process, do away with bureaucratic requirements and paperwork, and ensure that such taxpayers, who may not be aware of this obscure RSA, do not pay extra taxes for physical features built for the express purpose of accommodating handicapped family members.

I enclose a suggested resolution to these purposes for your consideration.

Please don't hesitate to contact me for further reference to these matters.

RESOLUTION

Whereas,

RSA 72:37-a allows exemptions of assessed values to dwellings for physical features constructed to accommodate handicapped occupants, and,

Whereas,

It is the will of the Selectmen to ensure that taxpayers who have constructed accommodating physical features to their homes for handicapped residents are not forced to pay additional taxes for these accommodations, whether they have applied for exemption under RSA 72:37-a or not, and,

Whereas,

It is the will of the Selectmen to expedite this process to the benefit of all taxpayers who have been burdened with the costs of constructing these additional features,

Therefore

The Selectmen resolve to alleviate this burden by directing the Assessor's Agents to:

Develop and employ a procedure whereby:

- a. All ramps and access accommodations constructed for the purpose of facilitating locomotion for handicapped residents are noted but not assessed for the items, and,
- b. All internal accommodations, such as elevators and conveyers constructed for the express purpose of accommodating handicapped residents are noted but not assessed for these items, and,
- c. That the appraisers review and consider the effect upon assessed value for the accommodation of handicapped residents in the form of excess width of doorways, hallways and other handicap accommodation construction features, and,
- d. In accordance with standard appraisal practices, apply functional obsolescence depreciation to ensure that such excess capacity noted in section C, above, does not overstate the market value of the property, whether or not the taxpayer has applied for exemption under RSA 72:37-a or not.

By authority of the Board of Selectmen in their official capacity as the Board of Assessors:

Dated: / /2006