

## **Property Taxes**

Property tax rates in New Hampshire vary greatly from town to town. They take the form of a dollar amount that taxpayers pay for every \$1,000 of what the property is worth.

Taxpayers will see different types of property taxes on the tax bill:

- **State** – This is the Statewide education tax, which helps fund public schools. In 2022, the State adjusted the amount required for this tax to provide taxpayers with a one-time reduction. In 2023, the one-time reduction was eliminated and funding increased;
- **County** – This is what Grafton County levies to pay for county services like jails, courts, and some community services. For 2023, the County applied funding to help keep the tax stable;
- **Local** – This is the cooperative school district amount, which funds the rest of the cost of public schools;
- **Town** – This is the Bristol Municipal rate, which pays for emergency services like Police and Fire, road maintenance, and other town expenses. This is the only portion of the tax rate, that the Town Governing Board (Select Board) can try to adjust.

All the above rates are added together to make up the total property tax rate.

**The total tax rate for Bristol for 2023 is \$22.75:**

- State \$2.00 - (an increase from 2022 of \$.72)
- County rate \$1.79 - (a decrease from 2022 of \$.03)
- Local school \$9.43 - (an increase from 2022 of \$.41)
- Town rate \$9.53 - (an increase from 2022 of \$.66)

For 2023, the Select Board voted adjustments to the overlay (amount of money set aside for potential assessment changes or legal settlements) and the Unassigned Fund Balance (like a savings account, which ensures cash-flow, continuity of municipal services and tax rate stability) to reduce the Town portion of the tax rate. Adjustments could only apply to the Town rate and the Board had to determine what amounts could safely be used. In the end, the Board reduced the overlay from \$75,000 to \$40,000 and applied \$250,000 from the Unassigned Fund Balance, which kept the tax rate increase on the Town portion to \$.66.

## **How is the property tax calculated?**

The property tax is based on the assessed value of your property. The assessed value is set by the Town Assessor and reviewed by the Department of Revenue. The assessed value might not be quite the same as the purchase price of your home, or how much your realtor thinks the home is worth.

All four types of property tax are usually pulled together into a single bill, which comes from the Tax Collector. As noted above, you pay your property tax rate on every \$1,000 of your property's assessment.

To calculate the property tax on your home:

- Enter your home's value into a calculator.
- Divide by 1,000
- Multiply that by the total property tax rate.

For example, if your house is assessed at \$300,000 and your total combined property tax rate is \$20, you would multiply 300 by 20 to get \$6,000. That is what you would owe in property tax for the year. The same rates apply to residential homes as to commercial or industrial properties.

## **Why do property tax rates in NH vary so much?**

Property tax rates can be higher or lower in each community for many reasons. Residents may vote for expanded services, like a new school or full-time fire department. Or towns may make more space for commercial and

industrial development, which can potentially add more valuable, taxable property to a town's pool without a big impact on town expenses. However, property tax rates can also vary because of the value of property in a town. Towns with higher property values can raise more money with a lower tax rate. Towns with lower-value homes have to charge higher tax rates to generate the same amount of money.

In 2025, the Town of Bristol is scheduled for a full revaluation. This is typically done every 5 years to adjust the value of all properties in the Town to 100% of the market value (what an owner should be able to sell the property for). The purpose is to fairly distribute the tax burden among all taxpayers. See below for additional information on the Revaluation process.

### **Still have questions?**

Still need some additional help understanding your specific property tax bill, contact your local Assessing Department. They are there to assist!

### **Q: How often does a revaluation happen?**

**A:** *By law (RSA 75:8-a), a municipality must perform a valuation every 5-years for all properties in the municipality's boundaries. When exactly that occurs for your municipality depends on when its first valuation was reviewed by the Department of Revenue Administration (DRA). **The Town of Bristol is scheduled for its next revaluation in 2025.***

### **Q: How does a revaluation affect property taxes?**

**A:** *A common misconception among property owners is that after a revaluation is that their increased tax assessment value will automatically result in increased property taxes. This is simply not true. Property taxes are determined proportionally. As long as the entire community saw values rise by the same proportion, then each property still has the same proportion of value relative to every other piece of property in the municipality.*

*For example, a town has a budget of \$10,000 and two properties in town. Each of the two properties pay \$5,000 in property tax based on a \$250,000 assessed value of each property. After the 5-year revaluation, both properties are now assessed at \$275,000. The town still has a budget of \$10,000. The town budget does not increase merely because the value of the properties in town increased. The town still needs to raise \$10,000, as such, the town would still raise \$5,000 from each property.*

### **Q: How does a revaluation affect the tax rate?**

**A:** *The common misconception among property owners about revaluation increasing their property taxes generally stems from their use of an outdated tax rate. Until recalculated as part of the next budget cycle, the prior tax rate may be wrong – perhaps very wrong.*

*The tax rate is based on the proportion each \$1,000 worth of property pays toward the town budget. In the above scenario, the town still needs to raise \$10,000 for its budget. If the two properties in town are of equal value, it does not matter if they are worth \$250,000 or \$275,000. Each contributes the same absolute dollar amount to the town budget. Meanwhile, because the properties are each worth more, the total assessed value of the town is now \$550,000 rather than \$500,000. As such, the tax rate drops, going from \$20/\$1000 to \$18.18/\$1000.*

*Unfortunately, because new tax rates are not calculated at the time of revaluations, many citizens mistakenly use the old tax rate to calculate their property tax payments when a revaluation occurs. As such, they often overestimate the amount that they will pay drastically when, in fact, most municipalities will see a revaluation increase property values proportionally across the entire municipality. The only time a property owner would see a change in their actual contribution toward the budget is when their property value does not change proportionally alongside the rest of the municipality's property values.*

**Resources:** *New Hampshire Municipal Association*