



## From the Assessing Department:

### **What months does my first tax bill cover? So, my second tax bill is for the last six months?**

Your first tax bill is merely a prepayment of your total tax burden and covers no defined period. It is merely an estimate based on half of the previous year's taxes. Your final tax bill covers the entire tax year (April 1<sup>st</sup>-March 31<sup>st</sup>) and is calculated by taking your assessment, times the tax rate, less your 1<sup>st</sup> bill (prepayment) to indicate the remainder you owe.

### **I just got my second bill and it's a lot higher than the first one and I haven't made any changes, why is it higher?**

Your first property tax bill is based on your prior year value and half the prior year tax rate unless new construction or other physical changes were made and picked up by the town. The second billing is usually similar in terms of assessed value but could be higher due to new construction missed on the first bill, an update of values for the Town (revaluation) bring all assessments to their current market value, or a change in tax rate. Tax rates can change for the same reasons or because of increased expenditures of the school, town, county or state.

### **Can you explain the median ratio and the weighted mean ratio?**

Every year the NH Department of Revenue (DRA), Municipal and Property Division, studies the sales that have occurred in each town from 10/1 of the prior year to 9/30 of the current year to determine the local median assessment to sales and weighted mean ratio. The median ratio is an indication of the local assessment as compared to the current local market. It is also used at the local level for current use and abatements. A median ratio of .90 means the local assessments are 10% below the current market, conversely a ratio of 1.10 means the assessments are 10% higher. The weighted mean ratio is the ratio that the DRA uses to equalize the overall value of each town in the state, so they all reflect the estimated 100% market value.

### **Can you give an explanation of the revaluation process and what is done between the full valuation years?**

The revaluation process is the process by which the assessor studies an analysis of all recent arms-length fair market sales which have occurred locally. Sometimes due to the lack of local sales data, sales from neighboring towns will be used. The sales are visited, and all information is attempted to be verified with the new owner, realtor or Multiple Listing Service (MLS) listings. From this analysis, new cost tables are created for land and buildings, depreciation, waterfront, views, topography, etc. such that the new assessments of the sales closely mirror the actual sale prices. Then those cost tables are used to compute new values for all other property in town. Depending on how old the inventory is (property's physical data), the process may or may not include a complete town wide re-measure and list of all properties.

### **Why must I pay taxes for a full year on a camper I moved out of the campground in July?**

The statutes provide that if it existed on April 1<sup>st</sup> and remained there after June 15<sup>th</sup> and is more or less permanent, it is taxable for the entire tax year (April 1<sup>st</sup>-March 31<sup>st</sup>)

**Why am I being taxed for a view?**

You are not directly being taxed on the view, however as market sales demonstrate that views, much like waterfront, have a value in the market, it can and must be considered as part of your overall value, just like waterfront, topography, garages, etc. Although you may not be able to touch or feel the view, if the market shows views are affecting the market value of property, it must be considered. Think of it this way, the average buyer, when confronted with two otherwise similar properties will be willing to pay more for the one that has a view of distant mountains and/or water bodies than the one that views surrounding houses, buildings or trees. So, as those sales are reviewed and the land and building values are determined and deducted from the sales price, the remainder is what the buyer consciously or unconsciously attributes to the view.

**I was told that once you reach the age of 80, I don't have to pay taxes anymore?**

That is not entirely true. You may qualify for an elderly tax exemption but your income and assets are also used to determine if you qualify. Please check with us to see if you meet the qualifications and what exemption amounts are offered.

**I purchased a property that has the land in current use and I don't want current use. Can I remove it?**

Unfortunately, no. Once the land has been placed in current use, it must remain there until it is disqualified by a use change (development) or if your purchase now makes the parcel less than 10 acres and no longer adjacent to other land owned by you in current use.