

Answers about the 2023 Revaluation, Tax Rate, and Tax Bills from the Select Board

The **2023 Town Revaluation** was completed April 1 and many of us were surprised by the dramatic increase in the valuation of our own or our neighbors' properties. Yet, despite the increases in property values overall, every property sold after April 1 has settled for more than its newly appraised value.

To set the **2023 tax rate**, the NH Department of Revenue Administration (DRA) factored in this increase to the Town's assessed value, setting the 2023 tax rate at \$12.56 – down from the 2022 tax rate, \$18.60.

As is the case every year, **2023 taxes** are distributed across the Town proportionate to property values. That is, tax bills are based on the tax rate and the assessed property value.

Please note that the Town does not collect more tax revenue than is required to cover the approved 2023 funding of Town services; and, that the Town does collect for and pay taxes to the three other jurisdictions listed on your tax bill: the County, the local school district, and state education.

What follows is more detail about these elements.

2023 Revaluation

As required by the State, the Town conducts its Revaluations every five years. The purpose of revaluations is to ensure assessed property values are maintained between 90 to 110% of fair market value.

As of September 30, 2022, Harrisville's Town valuation was at an equalized value of 58% based on the State's equalization study. The State could have mandated the Town to complete the evaluation earlier than required but did not.

Please note that a revaluation is not as simple as adding, say, 42% across all properties to bring the Town's valuation to 100% because the values of individual properties changed by different percentages over the past two years.

As required by the State, the 2023 Revaluation included four main phases:

1. **Market analysis.** This was the survey and review of land and building property sales settled in Harrisville over the past two years (April 1, 2021 - April 1, 2023);
2. **Valuation.** Using the data collected in phase 1, each property (land and building) was reviewed, including the location, condition, and qualities (features, square footage, and improvements), and compared to other (comparable) properties with similar characteristics.
3. **Field reviews** were then conducted to check the uniformity and accuracy of property information; and,
4. **Informal hearings.** When field reviews were completed, preliminary values were mailed to property owners with the invitation to attend an informal meeting to discuss the process, the property data, and/or assessed values. (As noted below, attending an informal meeting is not required to engage in the abatement process.)

The Revaluation completed 1 April 2023 brought assessed values up to 100% of fair market value. Parcel by parcel, the assessed value increases were dramatic.

Indeed, the Town's overall value increased roughly 66%. Given that values changed depending on the results of the Revaluation (phase 2, above), your specific increase may be above, below, or equal to this average. A look at the Revaluation by the numbers may help place your outcome within the Town-wide experience:

- 971 total parcels were included in the Revaluation, of these about:
 - 29 parcels were assessed values below or at the pre-Revaluation value
 - 21 parcels were assessed increased values between 0% and 25%
 - 176 parcels, increased values between 26% and 50%
 - 439 parcels, increased values between 51% and 74%
 - 243 parcels, increased values between 75% and 100%
 - 17 parcels, increased values over 100%
 - (46 properties not included in this detail)
- The median property (land plus structure) in Harrisville was valued at \$257,000 last year. In 2023, that property value was adjusted to \$434,000, a 69% increase.

Refer to the *Comparison Report of Property Values from 2022 to 2023* for more details (available at Town Hall or at the website).

Disagree with your property assessment?

An abatement is the request process used if you do not feel your property was properly assessed (contact information provided, last page). Abatements may be requested for three reasons:

1. **Physical data.** If there are data errors on your assessment record; ie, incorrect description or measurement of property (refer to your property tax card on file with the Assessor's Office at Town Hall);
2. **Market data.** If you do not feel the assessed value is at market value; ie, you do not feel you could have sold your property for the assessment amount at the time of assessment, April 1st. (This needs to be supported by comparable sales or a professional opinion of value.); or,
3. **Level of assessment.** If you do not feel your assessment is proportionate to other properties similar to yours in the Town (explained in the Abatement Application).

Abatement requests must be submitted by 1 March 2024. If the application has merit, an abatement of taxes will be issued or a refund with interest will be made.

Please note we recommend that you pay your taxes by the due date though to avoid accruing interest on a late payment regardless of the outcome of an Abatement Application.

2023 Tax rate

Please note that the 2023 Revaluation expanded the tax base which resulted in a reduced tax rate; and, that the tax rate setting is not a function of local government as rates are set by the DRA each fall.

To set the Town tax rate, the DRA factors the Town's total assessed value, exemption and credit figures, budgets approved in March, and non-tax revenue (fees, grants, licenses, etc.). In the simplest terms, the total funding required ("Tax Effort") is divided by the assessed value ("Valuation") and multiplied by 1,000 to equal the Tax Rate (per thousand dollars of assessed property value).

The DRA also calculates the County Rate and the Local School District Rate, and receives the State Education Rate from the legislature. (The Town collects and pays for these three jurisdictions, which are listed separately on your tax bills.)

The increase in assessed value divided into the approved Town funding resulted in a decrease in the tax rate from \$18.60 to \$12.36. Refer to *Illustration 1: Tax Rate Breakdown, 2022-23* for more detail.

Illustration 1: Tax Rate Breakdown, 2022-23			
Jurisdiction	Tax	Approved Funding*	Town Valuation
Town	\$3.89	\$1,347,534	\$346,509,785
County	\$2.49	\$864,499	\$346,509,785
Local School District	\$4.84	\$1,676,274	\$346,509,785
State Education	\$1.34	\$459,439	\$343,213,885
Total 2023	\$12.56	\$4,347,746	
Town	\$5.26	\$1,101,255	\$209,114,434
County	\$4.41	\$921,802	\$209,114,434
Local School District	\$7.48	\$1,563,964	\$209,114,434
State Education	\$1.45	\$299,726	\$207,195,734
Total 2022	\$18.60	\$3,886,747	
* These values take into account additional, non-tax revenues, exemptions and credits, and other impact factors.			

2023 Tax bills

Please note that the Town does not collect more tax revenue than is required to cover the approved funding of Town services, and that, again, the Town also collects for and pays taxes to the three other jurisdictions listed on your tax bill: County, to the local school district, and for state education.

That is, the Town is responsible for collecting all property taxes, and sends 69% of taxes collected to the county, the local school district, and state education. The remaining 31% is applied to Harrisville services (roads, police, fire, public services, etc.). It's worthwhile noting that this year, roughly 54% of Harrisville services are funded through property taxes, whereas 46% is funded through non-tax revenue sources, including fees, grants, licenses, and money set aside in the capital reserve fund.

The total tax effort is apportioned by individual property value, and two bills are issued to each property owner each year. The first bill (July) was an estimate, calculating the assessed property value (+/- improvements to a property as of May 1, 2023) multiplied by the previous year tax rate divided by two. As this was a year that a revaluation was done, the first bill did not reflect the new assessed values.

Again, the DRA sets the tax rate for the year in the fall. So, the second bill is calculated using the current year tax rate multiplied by the property's assessed value minus the payment(s) that you made on the first bill. (The amount due with the first bill 2024 will be half of the total 2023 tax due (+/- improvements to a property as of May 1, 2023)).

Returning to the Median Property example, refer to *Illustration 2: Tax Bill Comparison, 2022-2023* for more detail.

Illustration 2: Tax Bill Comparison, 2022-2023 (based on the Harrisville Median Property, Land + Structure)

	2022	2023	2022-2023 Change (increase or decrease)	2024 *
Property value	\$257,000	\$434,000	69%	\$434,000
Tax rate (per \$1,000 of assessed property value)	\$18.60	\$12.56	-32%	N/A
Tax due	\$4,780.20	\$5,451.04	14%	N/A
First-half tax bill (Jul) *	\$2,262.89	\$3,188.15		\$2,726
Second-half tax bill (Dec) **	\$2,517.31	\$2,262.89		N/A

Please note, both of these calculations are explained on the tax bills:

** First-half bills are estimated based on house value and half of previous year tax rate. Assuming no changes to the property value as of 5/1/2024 (say, for improvements), the first half 2024 tax bill in this example will be \$2,726 (half the amount due in 2023).*

*** Whereas second-half bills are calculated total current year tax due minus first half, estimated payment.*

Questions?

If you have questions about your assessment, we recommend doing the following.

Call (603.827.3431x4) or email (assessor@harrisvillenh.org) the Assessor's Office to make an appointment to:

- Review your property tax card to ensure all the information that has been collected is accurate.
- Review the reports of all sales from 4/1/2021 to 4/1/2023 that were used in the statistical analysis for the 2023 Revaluation.
- Process an abatement or exemption request.

Need assistance?

The Town offers Elderly and Blind Exemptions, and Veteran's credits. Call the Assessor's Office with questions about these and for the application forms.