

SUMMARY OF THE IMPACT OF JAFFREY'S REVALUATION 2015

INTRODUCTION – The State Department of Revenue Administration (DRA) oversees a program whereby municipalities are required to update property values to fair market value every five years. For Jaffrey, a revaluation must be conducted at the beginning of and midway through each decade (i.e. 2010, 2015, 2020, etc.). The most recent revaluation was completed in October, 2015 with the revised values to be used to calculate each property owner's taxes for the November, 2015 billing. These values will remain with the property at this 2015 level until the next (2020) revaluation (unless a building permit is issued).

HOW DOES IT WORK – Jaffrey has adopted a program similar to many other New Hampshire communities whereby assessing personnel perform inspections of approximately ¼ of all properties in town during each of the four years which precede the revaluation year; inspections are also completed on properties which have sold or received a building permit. During the revaluation year, the assessors inspect all properties which have sold over the previous two years and those for which a building permit has been issued. The Assessors proceed to complete an extensive market analysis which is designed to identify the current market value for each of the property classifications (e.g. single-family homes, condos, industrial, commercial, etc.) and any sub-classifications.

This information is used to assign a preliminary value on each property. Owners are then notified of their assessments and the process by which a homeowner may schedule an appointment with the assessors to discuss the value, present any additional information or learn more about the process. Once these individual hearings are completed, the final list of values is completed and transmitted to DRA. Property owners who may still be dissatisfied with their assessment may continue to appeal the value under a process set forth under state law. Information on that process can be found on the tax bill, and on the Town's website, http://town.jaffrey.nh.us/Pages/JaffreyNH_Assessing/abate.pdf (underscore between NH and Assessing). The process begins after receipt of the tax bill and is completed by March of the following year.

WHAT'S THE PRACTICAL IMPACT OF A REVALUATION – Because various property types usually increase or decrease in value differently due to supply and demand, economic conditions, etc. a revaluation is intended to “re-set” values so that all property taxpayers are assessed equitably and no one taxpayer shoulders more than their fair share. A couple of basis rules to remember:

- 1) A revaluation does not increase the amount of taxes to be raised in the community. The amount to be raised is a function of appropriations voted at the Town Meeting and School District Meeting, the amount raised by the County Delegation for the County Tax, and the amount required to be raised under the State School Tax as determined by the State of NH.
- 2) The impact to individual property taxpayers will be different as the market determines whether and how much the market value of a property has increased or decreased. Comparing the change in assessment to your property against all other properties will determine whether an individual property owner's tax burden may increase or decrease.
- 3) The tax rate and overall town assessment have an inverse relationship. If the overall town assessment decreases, there is now a smaller base from which to raise taxes, therefore, the tax rate increases. During times when property values increase, the overall town assessment increases, resulting in a lower tax rate.

WHAT'S THE IMPACT OF JAFFREY'S REVALUATION – Each year, DRA completes a sales analysis for of all communities throughout the State. Jaffrey's equalization ratio for 2014 was 108.9%, which means, on average, a typical property in Jaffrey was assessed about 9% higher than market value. Thus, as the following information will demonstrate, the overall assessed valuation of the Town for 2015 was lowered by about 11%, which resulted in an estimated increase in the Tax Rate of approximately 12%. (Please note that if the Town had not been required to complete the revaluation, the comparable 2015 tax rate would have remained the same as the 2014 tax rate.)

Given the 12% increase in the tax rate, we now look at the new property values. If the revised assessment on your home dropped approximately 12%, then you should pay either the same amount or less than you paid in 2014. If your assessment dropped less than 12%, or increased, then your tax bill will be more than it was in 2014.

Listed below is a table which compares the 2014 tax rate and the actual 2015 tax rate with the revaluation, and what the comparable 2015 rate would have been if the revaluation had not taken place.

Tax Rate	2014	Comparable 2015	Actual 2015
Town Services	\$ 9.87	\$10.21	\$11.51
Local School	\$14.22	\$13.87	\$15.65
State Education	\$ 2.20	\$ 2.21	\$ 2.50
County	\$ 3.16	\$ 3.16	\$ 3.56
Total	\$29.45	\$29.45	\$33.22

Overall, the revaluation will impact property owners in the following manner:

All Taxable Properties			
Assessment Change	No. of Properties	% of Properties	2015 Tax Bill Compared to 2014
More than -30%	131	5.7%	Much lower
-30% to -20%	349	15.3%	Much lower
-20% to -15%	451	19.8%	Somewhat lower
-15% to -12%	375	16.5%	Somewhat lower to flat
-12% to -10%	202	8.9%	Flat to somewhat higher
-10% to -7.5%	206	9.0%	Somewhat higher
-7.5% to -5.0%	152	6.7%	Higher
-5.0% to No Change	191	8.4%	Higher
No Change to +5.0%	83	3.6%	Much higher
+5.0% to +7.5%	16	0.7%	Much higher
+7.5% to +10%	28	1.2%	Much higher
+10% to +12%	12	0.5%	Much higher
+12% to +15%	9	0.4%	Much higher
+15% to +20%	15	0.7%	Much higher
+20% to +30%	24	1.1%	Much higher
More than +30%	35	1.5%	Much higher

As you can see, it is expected that approximately 57% of property owners will see a reduction in their property tax bills; another 18% will pay approximately the same or experience a slight increase. The remaining taxpayers should expect to see more of the property tax burden shift to them; this shift may be due to:

- 1) Their properties holding their market value better compared to other properties;
- 2) Improvements to their property which results in a higher market value;
- 3) Completion of unfinished structures.

Communities are required to perform periodic reassessments as all property types do not increase or decrease in value at the same rate. The table below may provide helpful information on how the market has impacted different property types:

Impact of the Revaluation on Various Property Types							
Assessment Change	Single Family Res.	Waterfront Residential	Mobile Homes	Two Family	Three Family	Apartment Complexes	Retail/Office /Commercial
# of Units ➡	1346	162	146	56	23	38	51
More than -30%	24	3	29	3	1	0	0
-30% to -20%	213	15	26	9	5	0	5
-20% to -15%	373	19	13	11	1	1	5
-15% to -12%	270	24	4	13	4	1	5
Flat or Lower Tax Bill	65%	38%	49%	64%	48%	5%	29%
-12% to -10%	131	10	7	7	7	2	3
-10% to -7.5%	115	29	5	3	5	6	5
Flat to Somewhat Higher	18%	24%	8%	18%	30%	21%	16%
-7.5% to -5.0%	77	21	7	5	2	6	10
-5.0 to No Change	83	25	13	4	1	13	7
No Change to +5.0%	33	2	15	1	1	7	4
+5.0% to +7.5%	5	2	4	0	0	0	0
+7.5% to +10%	6	3	8	0	0	1	1
+10% to +12%	1	3	2	0	1	0	3
+12% to +15%	1	2	4	0	0	1	0
+15% to +20%	4	1	3	0	0	0	1
+20% to +30%	2	2	4	0	0	0	0
More than +30%	8	1	1	0	0	0	2
Higher Tax Bill	17%	38%	43%	82%	22%	74%	55%

As always, please notify the Assessor's Office if we can provide any additional information.

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Town Manager

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