

# Understanding Property Assessments and Taxation

# MEET THE ASSESSING DEPARTMENT STAFF

- Jonathan Rice, Director
- Susan Golden, Deputy Assessor
- Shoshanna Cone, Administrative Assistant
- Lynn Omundson, Assessing Tech
- Michael Mandile, Appraiser
- Tiffany Marchant, Appraiser

# WHAT IS THE ASSESSING DEPARTMENT REQUIRED TO DO?

- Responsible for the discovery and inventory of property for taxation
- Valuation of property for the taxation
- Issuing warrants for the collection of taxes
- Review assessment appeals

# WHAT IS THE BOARD OF ASSESSORS AND WHAT DO THEY DO?

- The Board of Assessors is appointed by the city manager for an unlimited term
- The Board consists of 3 members
- The Board of Assessors is responsible for signing the warrants authorizing collection of taxes
- Grants or denies appeals

# WHO ARE THE BOARD OF ASSESSORS?

- George Hildum, Chairperson
- Guy Petell
- Jon Duhamel
  
- Board members are residents of Concord
- The Board of Assessors meets on an as needed basis

# HOW SHOULD PROPERTY BE APPRAISED?

*RSA 75:1*

The Selectmen shall appraise all taxable property  
at its market value

A few statutory exceptions...

# EXCEPTIONS:

- Property in Current Use (79-A:5)
- Residences on commercial/industrial zoned land (75:11)
- Residential rental property developed subject to a covenant under the low income housing tax credit program (75:1-a)
- Land with discretionary easements (79-C:7)
- Open space land with conservation restrictions (79-B:3)
- Earth and excavations (72-B)
- Land under qualifying farm structures (79-F)
- Telecommunications poles and conduits (72:8-c)

Continue..

# EXCEPTIONS:

- Electric, gas, and water utility distribution assets (72:8-d)
- Qualifying historic buildings (79-G)
- Qualifying chartered public school property (79-H)
- Renewable generation facility property subject to voluntary payment-in-lieu-of-taxes agreement (72:74)
- Combined heat and power agricultural facility property subject to voluntary payment-in-lieu-of-taxes agreement (72:74-a)

# KEY QUESTIONS IN DETERMINING MARKET VALUE

- How often?
- As of what date?
- How are values adjusted?

# HOW OFTEN SHOULD ASSESSMENTS BE UPDATED?

RSA 75:8 Revised Inventory

ANNUALLY, and in accordance with the state assessing standards, the assessors **shall** adjust assessments to reflect changes so that all assessments are reasonably proportional within that municipality...

# REASONS FOR ADJUSTING VALUES

- Building permits/demolition permits
- Physical changes or corrections to building and land
- Zoning changes
- Sub-divisions, boundary line adjustments, lot mergers
- Increases or decreases to the real estate market
- Land use approvals
- Neighborhood changes
- Other changes that would affect value

# HOW OFTEN SHOULD FULL RE-ASSESSMENTS BE COMPLETED?

RSA 75:8-a

The assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value (market value) at least as often as every fifth year.

# AS OF WHAT DATE?

**RSA 74:1 states every April 1<sup>st</sup>**

Maintains consistency and fairness

Considers all factors affecting value for each property on that snapshot in time

# HOW IS VALUATION DETERMINED?

- Inspection of sold properties
- Research and analysis of all qualified sales
- Request and analyze market rents, expenses, and interest rates of commercial/industrial properties
- Analysis results are applied uniformly to every parcel within the community

# HOW DOES THE CITY DETERMINE MARKET INCOME AND EXPENSES?

- Mail Income and Expense Forms to Commercial and Industrial Property Owners
- Real Estate Income and Expenses (Not Business Income and Expenses)
- The Information is confidential
- Recent Appraisals
- Rental Listings/Advertisements
- Market publications

# MARKET VALUE AND ASSESSMENTS

*How Sales in the Market Place  
Affect Assessed Values*



# WHAT IS MARKET VALUE?

Market value is what **a willing buyer** will pay to **a willing seller** for a property; both buyer and seller acting knowledgeably, prudently, and neither being under any obligation to buy or sell with normal exposure time.

# WHERE DOES THE CITY OBTAIN INFORMATION ABOUT SALES?

- Deeds
- Questionnaire responses
- Fee appraisals
- State of NH PA-34 forms
- Property inspections
- Conversations with brokers / realtors
- On-line listing services

# DEFINITION OF AN UNQUALIFIED SALE

An unqualified sale is a sale involving circumstances that cause the selling price of a property to be either abnormally high or low.

# EXAMPLES OF UNQUALIFIED SALES

- Family sale
- Estate sale
- Multi-parcel sale
- Court settlement
- Government sale
- Bankruptcy
- Short Sale
- Includes personal property
- Foreclosure
- Foreclosure resale
- Intra-corporate transfer
- Abnormal exposure time
- Long term lease above or below current market rental rate

# APPROACHES TO MARKET VALUE

- Sales Approach
- Cost Approach
- Income Approach

# WHAT ARE THE ACCEPTABLE ASSESSMENT RANGES?

- Assessment level
- Assessment uniformity

# LEVEL OF ASSESSMENT

- Overall ratio of assessed values to market values
- Example: Assessment \$276,900 divided by selling price of \$289,400 = a ratio of 95.68%
- Assessing Standards Board requires ratio standard to be between 90.00 – 110.00 %

# UNIFORMITY REQUIREMENTS

- Coefficient of dispersion (COD) measures the appraisal uniformity compared to the overall median ratio of the community
- Permits direct comparisons between property groups

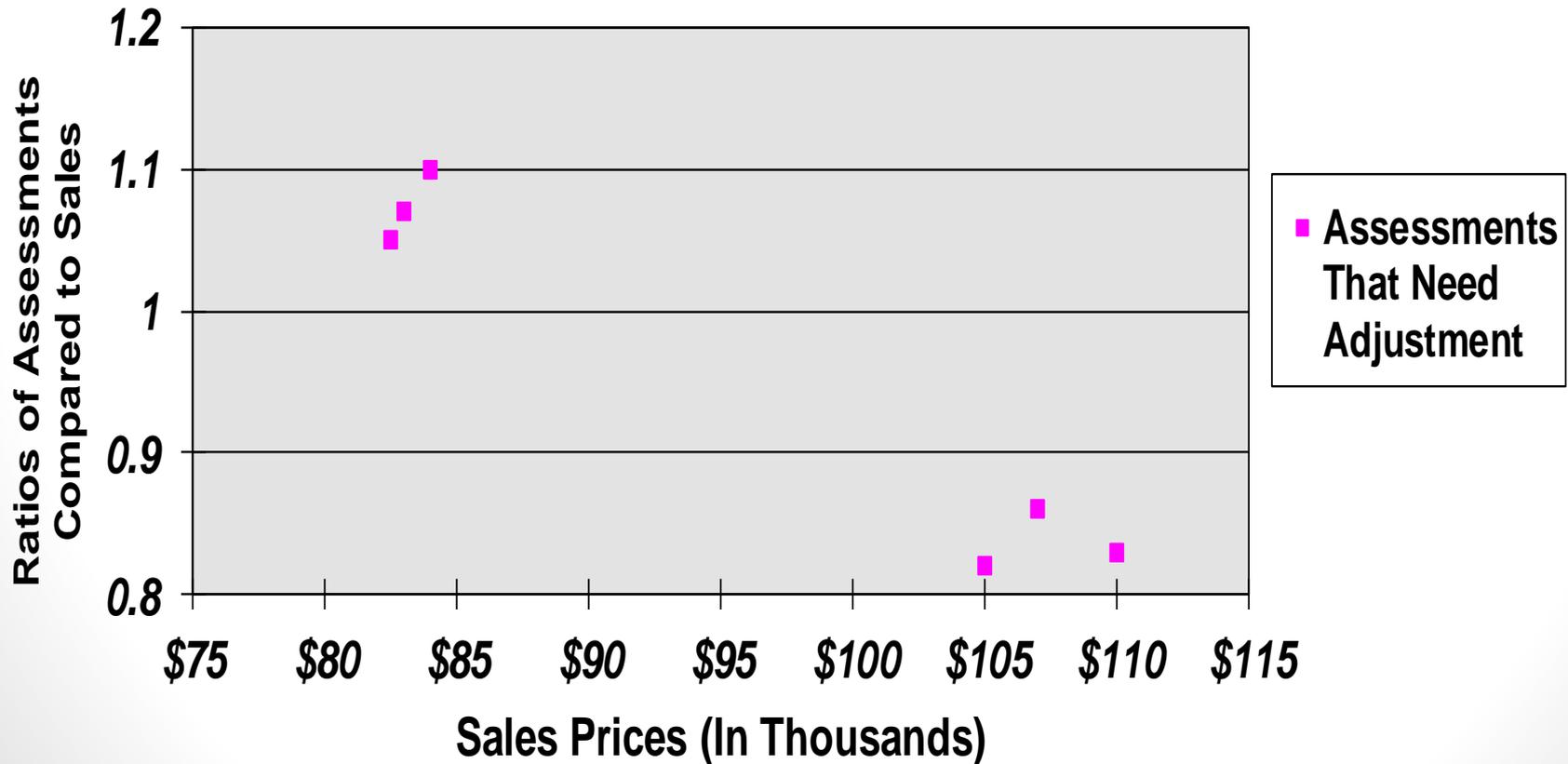
# ASSESSING STANDARDS BOARD REQUIREMENTS

- Each major strata group should be appraised within 5 percent of the overall level of appraisal of all properties
- If the overall level is 95% each property class or type (residential, commercial, condos, colonials, capes, south end, west Concord, east Concord, etc.) should be appraised between 90.25% and 99.75%

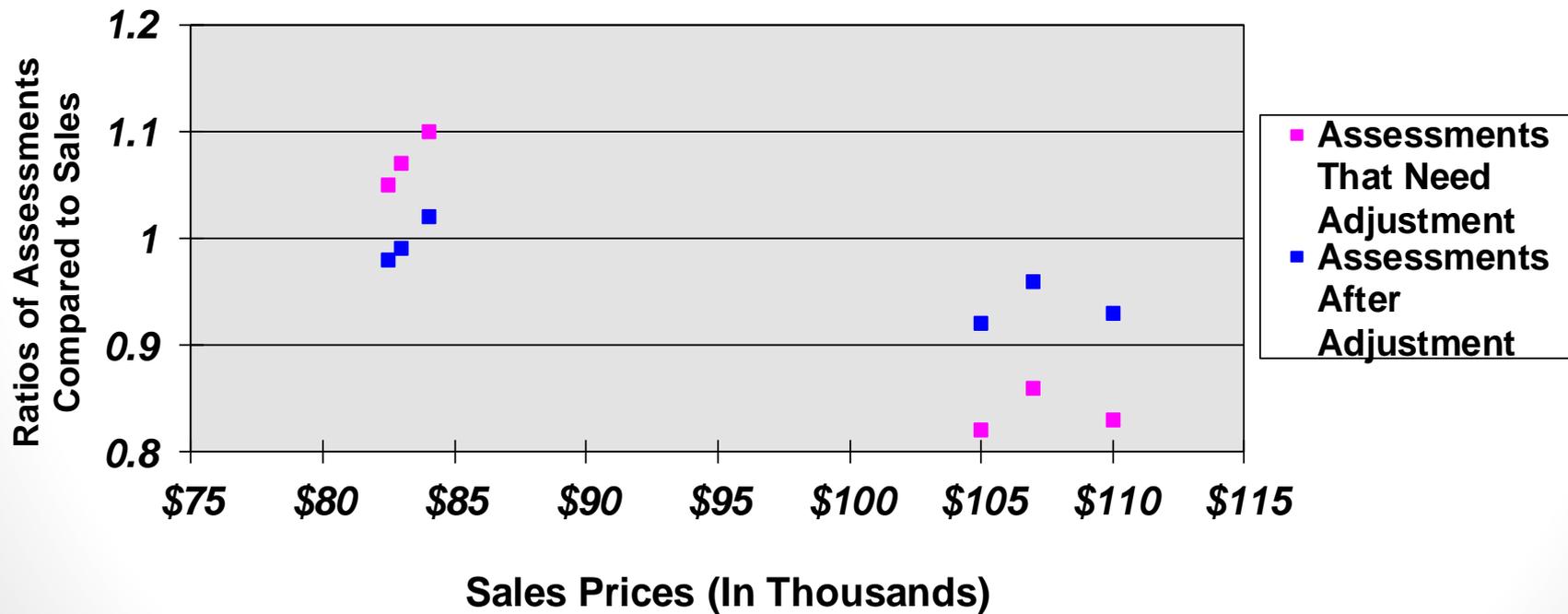




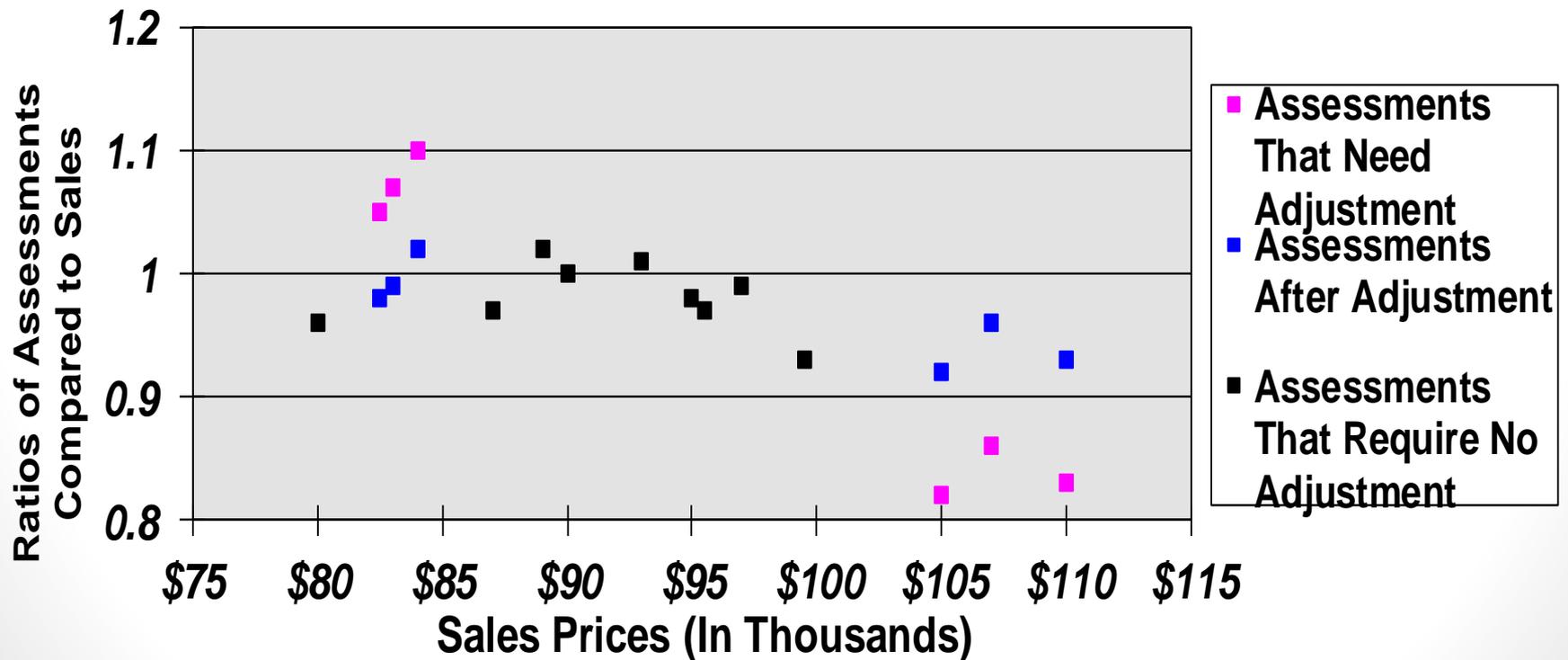
# RATIOS FROM COMPARISON OF ASSESSMENTS TO SALES



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# RATIOS FROM COMPARISON OF ASSESSMENTS TO SALES



# PROPERTY TAX YEAR

- RSA 76:2

The property tax year shall be April 1 to March 31 and all property taxes shall be assessed on the inventory taken on April of that year.

- Tax year 2024 is April 1, 2024 through March 31, 2025.
- Assessments mailed in the fall of 2024 reflect market values as of April 1, 2024.

# WHAT IS THE TAX RATE?

- The tax rate has four components:
  - City - funds fire, police, general services, administrative, recreation, etc...
  - County - funds county jail, nursing home, registry of deeds, sheriff, etc...
  - Local education - funds schools
  - State education - funds schools

# How Is The Tax Rate Calculated?

The tax rate is calculated by taking the :

- City Budget
- City portion of the County Budget
- City portion of the State education Formula
- Local Education Budget

Subtracting any revenue/credits/grants to determine the total money to be raised by taxes, and dividing the total value by the total taxable property value in the City.

This number is then multiplied by \$1,000 to get the rate per \$1,000 in property assessment.

# MAILING OF THE TAX BILL

- Concord mails tax bills twice a year. Each mailing has two payment coupons . The first mailing is in May with the coupons for the July 1<sup>st</sup> and October 1<sup>st</sup> payments.
- The second mailing was in December with the coupons for the January 11<sup>th</sup> and March 31<sup>st</sup> payments.
- The payments for the 2024 tax year are July 1 and October 1, 2024 and January 11, and March 31, 2025

# WHY DO MY TAX BILLS ALWAYS CHANGE?

- Since the assessments are not final or completed until the fall each year, the first two quarterly tax bills for 2024 were calculated based on the previous 2023 assessments only if the value at the time of the billing has not been adjusted (estimate bills).
- The January 1 and March 31, 2025 bills (final bills) reflect the new 2024 assessment and the 2024 tax rates which will be set in November.
- The January and March bills were calculated by subtracting the amounts billed in July and October from the total taxes due and then dividing by 2.

# REVIEW:

## REASONS FOR ADJUSTING VALUES

- Building permits/demolition permits
- Physical changes or corrections to building and land
- Zoning changes
- Sub-divisions, boundary line adjustments, lot mergers
- Increases or decreases to the real estate market
- Land use approvals
- Neighborhood changes
- Other changes that would affect value

# WHAT IS THE CURRENT TAX RATE?

<b>Concord</b>		<b>Penacook</b>	
City	\$9.51	City	\$9.51
County	2.17	County	2.17
School	13.61	School	15.92
State Educ.	<u>1.57</u>	State Educ.	<u>1.55</u>
<b>Total Tax Rate</b>	<b>\$26.86</b>	<b>Total Tax Rate</b>	<b>\$29.15</b>

Tax Year 2023 Tax Rates

# Example January/March 2023 Bills:

July 1 <sup>st</sup> payment was	\$2,051.55
October 1 <sup>st</sup> payment was	\$2,051.54
2023 Assessed value	\$300,500
New Penacook Tax Rate	<u>x .02915</u>
Total 2023 Tax Due	\$8,759.58
Subtract July and October Bills	<u>- \$4,103.09</u>
Balance to be paid	\$4,656.49
January 11, 2024 payment	\$2,328.25
March 31, 2024 payment	\$2,328.24

# Property Tax Relief Programs

- There are a number of state laws enacted to reduce or postpone payment of property taxes.
- Most of the tax relief programs are targeted to certain categories of tax payers (for example: elderly, blind, low income).
- You can apply for more than one program!
- There are different types of tax relief programs and each program has its own rules.

# FILING DEADLINES FOR EXEMPTIONS AND CREDITS

- The deadline for filing for **tax credits or exemptions** for the 2024 tax year is **April 15, 2024**.
- Must re-qualify at least once during a five-year period
- If your property is held in a trust, you must supply a copy of the trust instrument and “A statement of Qualification” (PA-33) must be completed and submitted with documents (all documents submitted shall be handled to protect the privacy of the applicant).

## Annual re-qualification:

- Includes religious, educational, and charitable exemptions.
- Charitable exemptions must also file financial documents before June 1<sup>st</sup>.

# EXEMPTIONS

Exemptions reduce the taxable value of your home. If your home has a lower taxable value, your tax bill is reduced.

Example (tax rate \$26.86 per \$1,000, Exemption amount = \$80,000)

Assessment	\$200,000
<u>Tax before exemption</u>	\$5,372.00
Assessment	\$200,000
Exemption amount	<u>-\$80,000</u>
Assessment after exemption	\$120,000
<u>Tax after exemption</u>	<u>\$3,223.20</u>

# CONCORD'S ELDERLY TAX EXEMPTION RSA 72:39-a

- Mandatory exemption
- Deadline for 2024 taxes: **April 15, 2024**
- Owned in whole or part by individual over age 65 (or if owned by spouse, married for 5 years)
- Resident of state for prior 3 years (as of April 1)
  
- Net income of less than \$60,000 if married, \$42,000 if single
- Net assets less than \$150,000
  - Excluding single family home or occupied space of multi-family home
  
- Tax Relief depends on age
- Aged 65-74: \$80,000 reduction in assessed value
- Aged 75-79: \$131,000 reduction in assessed value
- Aged 80 and older: \$223,000 reduction in assessed value

# BLIND EXEMPTION

## RSA 72:37

- Mandatory Exemption
- Application for 2024 taxes: **April 15, 2024**  
Legally blind as determined by Blind Services Program, NH Vocational Rehabilitation
- Concord has adopted a \$120,234 exemption

# IMPROVEMENTS TO ASSIST PERSONS WITH DISABILITIES EXEMPTION RSA 72:37-a

- Person with disability must be living in home as of April 1
- Filing deadline for 2024 taxes: **April 15, 2024**
- Person who by reason of a physical defect or infirmity permanently requires the use of special aids to enable him/her to propel themselves
- Owner has made improvements for the purpose of assisting a person with a disability who also resides on such real estate
- Deduct the value of such improvements from assessed value of residential real estate

# CERTAIN DISABLED VETERANS EXEMPTION RSA 72:36-a

- Any person discharged from military service of United States under conditions other than dishonorable or an officer who is honorably separated from military service or surviving spouse of the same shall be exempt all taxation on said homestead. Provided that:
  - Is 100 percent permanently and totally disabled as prescribed in 38 C.F.R. 3.340, total and permanent total ratings and unemployability; or
  - Is a double amputee of the upper or lower extremities or any combination thereof, or paraplegic, as the result of service unemployability; or
  - Has blindness of both eyes with visual acuity of 5/200 or less, as the result of service connection.
- A specially adapted homestead which has been acquired with the assistance of the Veterans Administration or which has been acquired using proceeds from the sale of any previous homestead which was acquired with the assistance of the Veterans Administration
- Owner of the property as of April 1<sup>st</sup> of the application year
- Principal place of abode
- Filing deadline for 2024 taxes: **April 15, 2024**
- Applicant must apply with a copy of DD214 or equivalent declaring proof of service
- Satisfactory proof of such requirements
- Notify Assessor's office of any change of address

# SOLAR ENERGY SYSTEMS EXEMPTION 72:62

- The applicant is the owner of the property on April 1 of application year.
- Available to residential, commercial, and industrial properties.
- The applicant must own the real estate which is equipped with a solar energy system as defined by RSA 72:61.
  - Utilizes the solar energy to heat or cool the interior of the building or to heat water for use in a building.
  - Which contains one or more collectors and a storage container.
  - Also means a system which provides electricity of a building by the use of photovoltaic panels.
- The exemption does not apply to those properties that generate electricity for resale.
- The solar exemption must be installed and operational by April 1<sup>st</sup> of application year.
- Exemption is 100% of the actual assessed value of the qualifying system.
- A copy of the complete signed solar system contract along with the permanent application must be submitted by April 15, 2024.

# RELIGIOUS, EDUCATIONAL, AND CHARITABLE EXEMPTION RSA 72:23

- Annual Requalification
- Deadline to complete BTLA form A-9: List of Real Estate and Property on which exemption is claimed for tax year 2024: **April 15, 2024**
- Must be owned, used, and occupied by qualifying organization
- Deadline for Charitable Organizations, in accordance with RSA 72:23, VI, to file A-12: Charitable Organization Financial Statement along with most recent audited financial statements and/or IRA 990 and NHCT-12: **Before June 1, 2024**
- Tax exempt property owners that do not timely file the statutory required BTLA forms, may be taxed for the entire tax year at the full and true tax rate
- Reminders to file the aforementioned Tax form will NOT be sent by the City to organizations that fail to timely file.

# Tax Credits

**Credits** directly reduce the amount of tax you must pay. They don't change the assessed value of your property.

**Example** (tax rate \$26.86 per \$1,000) :

Assessment	\$200,000
Tax	\$5,372.00
Less Credit (\$200)	<u>- \$200.00</u>
<b>Tax after credit</b>	<b>\$5,172.00</b>

# VETERANS' TAX CREDITS

# REGULAR VETERANS

## RSA 72:28

- Mandatory
- Deadline for 2024 taxes: **April 15, 2024**
- Resident of NH for at least one year preceding April 1
- NH resident who served 90 days in qualifying war/conflict & continues to serve or honorably discharged OR
- NH resident who ended service due to service connected disability OR
- Surviving spouse of same
- Certain time frames require receipt of specific medals
- Eligible conflicts are listed in RSA 72:28
- City of Concord credit is \$300

# ALL VETERANS

## RSA 72:28-b

- Optional Credit – Concord adopted for April 1, 2019
- Deadline for 2024 taxes: **April 15, 2024**
- Resident of NH for at least one year preceding April 1
- NH resident who served not less than 90 days active service in the armed forces of the United States
  - Training for active duty or state active duty by the National Guard or reserve included
- Continues to serve or honorably separated OR
- An officer who continues to serve or honorably separated from service OR
- Surviving spouse of the same
- Not eligible for and not receiving credit under RSA 72:28 or RSA 72:35
- City of Concord credit is \$300

# SERVICE CONNECTED DISABILITY RSA 72:35

- Mandatory Credit
- Deadline for 2024 taxes: **April 15, 2024**
- Honorably separated or
- An officer honorably separated from service
- Total and permanent service connected disability
- Surviving spouse may continue to get credit
- City of Concord credit is \$2,000

# SURVIVING SPOUSE OF A VETERAN KILLED IN SERVICE RSA 72:29-a

- The surviving spouse of any veteran who dies while on active duty is eligible for a credit
- Credit can be on residential or non-residential property in spouse's community
- City of Concord credit is \$2,000

# DEFERRALS

- **Deferrals**: allow you to postpone paying your taxes.
- Deferrals don't reduce your home's assessed value.
- Deferrals don't give you a credit or rebate or otherwise reduce the amount of tax you pay.
- Deferrals only permit you to pay your taxes at some later date.

# TAX DEFERRAL FOR ELDERLY AND DISABLED

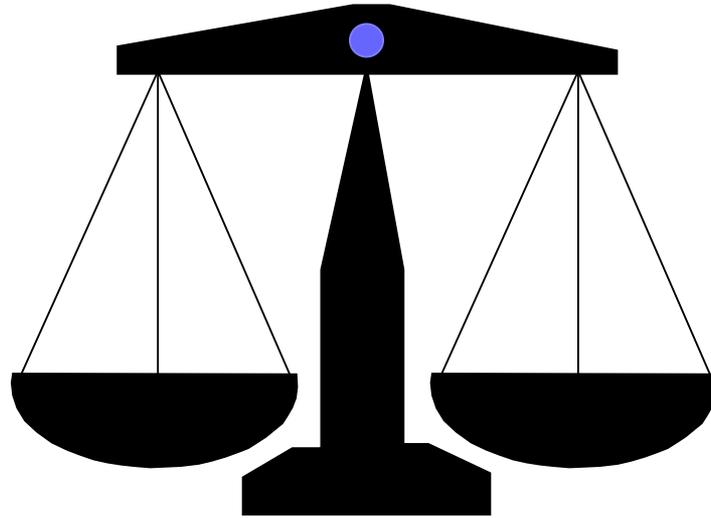
## RSA 72:38-a

- Mandatory program
- Deadline for 2023 taxes: **March 1, 2024**
- Disabled individuals receiving benefits under Title II or Title XVI of the Federal Social Security Act; who have owned a home for at least 1 year OR
- Individuals age 65 and older and who have owned home for 5 years
- Must live in home
- Assessing officials determine the tax liability causes the taxpayer an “undue hardship” or possible loss of property

# TAX DEFERRAL FOR ELDERLY AND DISABLED (continued)

- If granted can defer all or part of taxes up to 85% of property's "equity value." Equity value is the assessed value minus all liens, mortgages ...etc.
- 5% annual interest charge.
- The deferred taxes and all interest must be paid when your home is sold or upon your death.

# THE ABATEMENT PROCESS



# THE ABATEMENT PROCESS

- The abatement process is your right to demonstrate that your assessment is unfair or incorrect
- A higher tax bill is not grounds for an abatement

# WHAT ARE GROUNDS FOR AN ABATEMENT?

- Incorrect physical data
- Assessment does not reflect market value
- Assessment exceeds the general level of assessment in the city
- “Taxes are too high” are not grounds for an abatement

# WHAT SHOULD BE INCLUDED WITH ANY ABATEMENT APPLICATION

- Include in application any information to support your claim that your home is over valued– compare your home to other similar homes. **BE SPECIFIC!**
- Supply copies of appraisals
- Copies of income and expenses for past 3 years
- Copies of leases
- Copies of rental advertising

# THE ABATEMENT PROCESS PROCEDURES AND DEADLINES

- The abatement request must be in writing
- Applications for abatement are available after the January and March tax bills are mailed
- Completed applications must be received by the Assessing Office on or before March 1<sup>st</sup> of the applicable tax year
- If there is no decision on your abatement by July 1<sup>st</sup>, you should consider it a denial. If you wish to continue your appeal to a higher level, you must file to the higher level on or before September 1<sup>st</sup>

# CHAIN OF APPEAL

LOCAL ABATEMENT TO THE BOARD  
OF ASSESSORS

By March 1, following notice of tax

Or  
(not both)

APPEAL TO THE  
BOARD OF TAX AND  
LAND APPEALS

Between July 1, and on or  
before September 1,  
following notice of tax

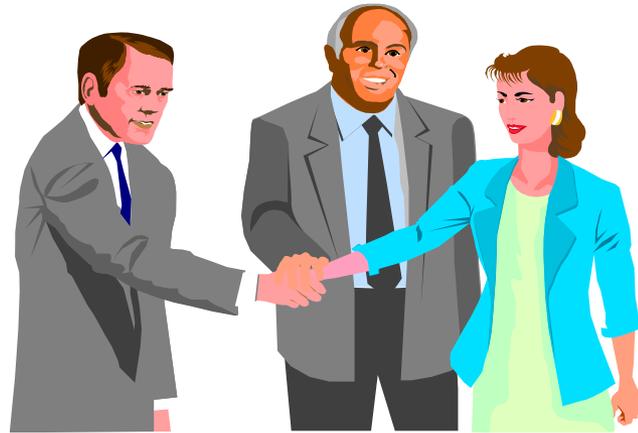
APPEAL TO THE  
SUPERIOR COURT

Between July 1, and on or  
before September 1,  
following the notice of tax

# HOW TO CONTACT US

- Telephone: 603-225-8550 Monday through Friday between 8:00 am and 4:30 pm
- In person: Concord City Hall located at 41 Green Street; enter the front doors and we are the first office on the right
- Website: [www.concordnh.gov](http://www.concordnh.gov) click on Departments and then on Assessing.
- To access the City's online database: <http://www.concordnh.gov/assessing>. Then click on Accessing On-line Database on the far right.

# COMMUNICATION IS THE KEY...



- Review your assessment records regularly
- Submit income and expense forms when requested
- Have your property inspected
- Ask questions
- Pay your taxes during the appeal process
- Working together we can be confident of fairness and equity for all property owners!