

October, 2015

Surry Property Owners:

Assessing can be very controversial, so we hope to alleviate some of your concerns by explaining the process.

Property assessing practices in New Hampshire have changed, and become much more standardized by law, to conform with the 1997 state Supreme Court Claremont 2 ruling that public schools need to be supported by taxes that are uniform in rate throughout the state. The state chose to meet this requirement by making the long standing property tax more objective, and less subjective, instead of paying for school costs by some other method.

Our contract with Avitar Associates, our assessor, includes the annual assessment of new construction in the spring; annual data verification in the fall of a segment of properties so that each is visited every 5 years if not otherwise checked for new construction; and a complete reassessment every 5 years as required by RSA 75:8-a. The annual assessment of new construction and data verification ensure property records are *accurate*, while reassessment addresses property *value*. Surry is scheduled for complete reassessment in 2017 that will be well publicized in advance.

Avitar is one of a hand full of companies authorized to appraise in New Hampshire, and the above features are standard in assessing contracts that must be approved in advance by the state Department of Revenue Administration (DRA) per RSA 21-J:11. A visit by Avitar's representative will typically be unannounced but the person will carry identification and the car will be marked. A DRA representative will announce in advance plans to visit property to audit any changes in assessing records made by Avitar. Ideally assessors like to gain entry to a home, but realities of modern life dictate their best judgment be made from outside.

The goal is to minimize variations within town, to ensure practices are consistent statewide, and to ensure property is assessed at close to 100% of its market value. Assessed values that vary from market value typically are addressed during 5 year reassessment rather than abatement, assuming record accuracy. To further monitor the assessing process, the DRA per RSA 21-5:9-a compares sale price, considered the best gauge of market value for an open market sale, with assessed value to obtain an equalization ratio for all properties sold each year in a community. And, every 5 years per RSA 21-5:11-a and b, the DRA conducts an inclusive assessment review audit of every community's assessing practices for compliance and supporting documentation.

Increasing property values are a fact of life, based as they are on the availability of land that has traditionally been a good investment because its supply is limited. Please remember though, that rising property assessments do not necessarily mean rising taxes. Taxes go up when the amount of money to be raised by taxation goes up.

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