

Revaluation Questions and Answers

What is a Revaluation?

A Revaluation is the process of performing all the necessary Market Analysis and Valuation steps to determine accurate and equitable values for all properties within a municipality. The purpose of a Revaluation is not to raise taxes. It is to create an equitable distribution of the tax burden required to meet the needs of local schools, government, and the county.

Why perform a Revaluation?

Over time the real estate market changes, thus changing market values. Further, different types of properties will change at different rates (commercial versus residential or waterfront versus non-waterfront). A revaluation will account for these changes in value and seek to restore equity between individual assessments. *The State of New Hampshire laws require that cities and towns perform revaluations at least once every five years so that all properties can be brought to current market value and contribute an equitable distribution of the total tax burden.*

How does a Revaluation differ from our Data Verification Program?

In 2007, the town began visiting 20% of the improved properties each year so that at least once every five years a property is measured and listed. By doing this we are ensuring that the information listed on the tax card is accurate. It is important to remember that only data elements are adjusted if the appraiser finds something inaccurate. A Revaluation is where all properties are adjusted based on the current real estate market.

What is “market value” and who determines my property value?

Market value is determined by the activity in the real estate market and the general economy. The value of your property is based on an analysis of market data (real estate transfers, etc) that occurred prior to April 1st of the revaluation year. Here in Meredith, we have typically gone back two years to gather enough sales information to determine market value. The market is defined by willing buyers and sellers. Factors that affect the market value of a property are location, size and quality of construction, age and condition of the improvements, site characteristics (topography, shore frontage, etc) and zoning restrictions.

Why did the Town perform a Revaluation in 2023 when one was just done in 2020?

While State law requires the Town to update at least once every five years the Town revalued in 2023 for several reasons. The first is that the overall median assessed to sales ratio was at 61%. What this means is that assessments were 61% of what they were selling for. In simplest terms, a property that was assessed at \$61,000 was now selling for \$100,000. Secondly, while 61% was the median ratio not all properties were at that level. Waterfront properties were at 50%,

Boatslips were 52% and commercial properties at 71% to name a few. When one type of property is within less than 10% of the overall median then a distribution of taxes is not equitable. The revaluation was done to mitigate this inequity.

What were the overall results from the Revaluation?

The Town's total taxable value increased just over 63%. The goal of a Revaluation is to bring values back at or close to 100% of market value. Statistical results from the Revaluation can be found on the Town's website at <https://www.meredithnh.org/assessing-department/news/2023-assessment-update-results>.

Will the update result in an increase in the total amount of taxes raised by the Town?

No. Changes in assessed values bring no extra money into the town coffers. The town can only raise what was voted on at Town Meeting, School Meeting and County appropriations. The Town does not set the tax rate. The NH Dept of Revenue Administration sets the rate based on the Towns taxable valuation and the amount of tax effort needed for the voter approved budgets listed above.

Will my taxes go up as a result of the increase in valuation?

It depends. Revaluations change the relative tax burdens between different types of properties because all properties don't rise and fall in value at the exact same rates. For 2023, the average increase in value was 65%. However, the rate only dropped 30%. Because of this, the majority of taxpayers saw an increase in their tax bill for 2023 over 2022.

When will the next Revaluation occur?

The Towns next Assessment Review by the NH Dept. of Revenue is 2027 so that is when our ratio must fall between 90% and 110%. The Assessing Department is constantly reviewing sales to determine the level of assessment for the Town. We will be proactive in our recommendation to the Town Manager if a Revaluation needs to occur before 2027.