

***Town of Derry, New Hampshire
Revaluation Questions and Answers
March, 2006***

- ***What is a Revaluation?***

A Revaluation is the process of equalizing the values within the municipality by conducting Data Collection and Market Analysis. The process assures that all properties within a municipality are assessed on an equitable basis so as to insure a fair distribution of the Town's tax burden.

- ***Why is a Revaluation needed?***

The State of New Hampshire requires that cities and towns perform a Revaluation so that all properties can be brought to current market value and thereby be billed an equitable portion of the Town's total tax burden. Also, for the past 10 years cities and towns of New Hampshire have continued to grow. Since an increase in population translates into an increase in the demand for housing and other municipal paid services such as schools, police, fire, waste disposal and snow removal, it is essential that property values be kept current

- ***What is market value and who determines my property value?***

Market value is determined by those involved in real estate transactions, by the activity in the real estate market, and the general economy. The value of your property is based on an analysis of market sales for the full two calendar years before the completion of the Revaluation Project. The market can generally be defined as you, the person who sold the property to you, and the person willing to buy it from you.

It is the Appraiser's job to research and analyze the values in any particular area or neighborhood. In effect, they do what you would do to determine the selling price when putting your property up for sale, or refinancing the property, you make an assessment of the real estate market and what is the value of your property in that market. The Appraiser has specific guidelines to follow which are set by the State of New Hampshire Assessment and Equalization Standards Boards. Factors that are examined for each property are: location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions, if any, etc.

- ***What happens during a Revaluation?***

Usually a Revaluation project will begin with a physical inspection of both the interior and exterior of each property, where building dimensions and characteristics are noted. This is the Data Collection phase of the project. In the revaluation currently being conducted for the Town of Derry by Vision Appraisal, not all properties will be inspected. The reasoning

behind this approach is that over the past four years the Assessor's Office has been conducting yearly cycled inspections of properties within the town, leaving those areas mentioned below that need to be inspected. Those properties are: all waterfront properties; all properties with water access/influences; all Manufactured Homes in parks; and all Commercial and Industrial properties.

Each Data Collector doing inspection around Town for Vision Appraisal carries an identification badge and a letter of introduction on Town letterhead, as well as having their cars registered with the Police Department. This is done to insure a secure process for the property owner whose property is inspected. Property owners should insist on seeing this identification when a data collector visits your property.

While the Data Collection phase is ongoing, appraisers are studying the sales of property in Derry and determining where the actual increases and decreases in value are occurring. This study of recent property sales allows comparisons to be made by the appraisers to establish parameters to estimate the value of property that has not been sold. The appraisers then review this collected data and apply the determining factors of the sales analysis to establish a value of each property.

Following completion of the data collection and analysis phases, each property owner will receive an individual notice of their new assessed valuation. Properties owners will be able to review the new values for all property in Town so that they can see what the values are around their properties. All property owners are given the opportunity to schedule an informal hearing to discuss their values with the appraisal staff.

What is an Informal Hearing?

Towards the end of the revaluation, every homeowner will receive a notice of their proposed valuation based on the analysis performed. These values are not final until the Hearings are complete. When a homeowner has a question or concern about the proposed valuation, they are asked to call the firm and a date and time to meet will be set to discuss the valuation process and answer any questions the homeowner may have. An informal hearing is not a forum to discuss taxes; it is strictly meant to answer questions on the property's valuation.

Homeowners are asked to come prepared with questions and to have compared their property to other comparable ones in their neighborhood. A Hearing Officer will determine if a review of the property is necessary. All changes to value that occur due to a hearing will be reflected in a change notice that is sent after hearings are complete.

- **Will a Revaluation increase taxes?**

Although a Revaluation may result in an increase in a property owner's assessment; it does not mean that property taxes for all properties will increase. It is important to understand that assessments are only the base over which the tax burden is spread. The tax burden is the amount of money the Municipality must raise to operate the local government and support the many services each of us has come to expect such as schools, police, fire, highway, etc.

In accordance with the Town's tax cap contained in the Charter, if the same amount of money is to be raised after the revaluation as the previous year and each assessment doubles, the tax rate would merely be cut in half. **The revaluation of property cannot be used to increase the overall tax burden of the Town.**

- **How will I know if my assessment is equitable?**

There are two very good methods of determining this. First, compare your property to similar properties that sold in the previous year. Your value should be in line with these sale prices. Second, if no recent sales are available, compare your assessment to other similar properties in your area using the Street Listing of Values and other resources available in the Assessor's Office. Your value should be in line with these similar properties.

Remember, very few properties are exactly alike! Your values may be comparable, but the valuation seldom will be exactly the same as what seems to be a similar property.

- **Why did my land value increase so much?**

Since the last full revaluation in 2001, real estate values have changed significantly. Over the same period, building construction costs may have increased at a much slower rate. If this is the case and building costs have not increased as much in relation to total values, the bulk of the total increase, if any, is attributable to land. This makes economic sense as it is land that is in limited supply.

- **What Qualifications do the Appraisers have?**

Each person employed on this project has been certified by passing the International Association of Assessing Officer's (IAAO) qualification testing. Each has also met the educational and experience requirements of the State of New Hampshire Department of Revenue (DRA) Rules, as defined in the 3 levels of appraisal personnel and the general requirements of each listed below.

1. Project Manager or Supervisor: Have passed the testing for certification at this level and successfully completed IAAO courses 101 and 102. Each course consists of an intensive teaching program with a written test to pass at the end to mark successful completion. Each Project Manager or Supervisor will have 5 recent years of experience as a Real Estate Appraiser, with at least 2 years being in Mass Appraisal. They must possess extensive knowledge of state laws, department rules, appraisal manuals, governing local assessment administration, and have demonstrated an ability to apply these to unusual situations of property appraisal, assessment and review.

2. Commercial and Industrial Appraiser: Have passed the testing for certification at this level and successfully completed IAAO courses 101 and 102, with 3 recent years of experience in the appraisal of all types of real estate and have extensive knowledge of appraisal principles, methods, and their application to all types of property.

3. **Residential Appraiser:** Have passed the testing for certification at this level and successfully completed IAAO course 101. They must also meet the following minimum requirements: be over 18 years of age; have a high school diploma; have less than six months experience and training, both in-class and in-field in what information is required during the Data Collection Phase of the Revaluation.

- **If I disagree with my assessment after a hearing, what are my options?**

If any property owner believes their assessment is unfair and wishes to file an application for abatement, **they shall first appeal to the Town's assessing officials in writing**, by March 1, following the receipt of the final notice of tax that they wish to contest. Notice of the tax in the State of New Hampshire is defined as: when the tax bills have been mailed, usually by November 1st (in Derry) in any given tax year (RSA 76:16). Abatement forms for this purpose may be obtained in the Assessing Office, or taxpayers may simply write a letter explaining why they feel the assessment is unfair. If the taxpayer is dissatisfied with the decision of the local assessing authority, or they do not receive a decision from the Town by July 1 following notice of the tax, they may exercise one of the following options:

1. The taxpayer after receiving the town's decision on the abatement application or if the town has not responded to the abatement application by July 1, may appeal to the Board of Tax and Land Appeals, 107 Pleasant Street, Concord, New Hampshire, 03301, in writing by September 1 following Notice of the tax (previous years tax bill), with a payment of an application fee as set by the Board. (RSA 76:16-a)
2. The taxpayer may appeal by written petition to the Superior Court in which the property is located within the same time frame as set forth in number 1 above. (RSA 76:17)

NOTE: An appeal to the State Board of Tax and Land Appeals shall be deemed a waiver of any right to petition the Superior Court in accordance with NH RSA 71-B:11.: 11

There is an interest rate of 12% per annum which will be charged on all property taxes not paid by the due date as specified on the tax bill and the filing of a request for review of the assessment will not waive this penalty. (RSA 76:13)

You may direct any further questions or inquiries you have to the Town of Derry Assessing Office, Derry Municipal Center, 14 Manning Street, and/or by calling 603-432-6104. You may also contact David Gomez, Assessor (davegomez@ci.derry.nh.us), or Barbara Chapman, Deputy Assessor (barbarachapman@ci.derry.nh.us), at the telephone number above or at the email addresses listed during normal business hours.

You will also be able to go to the Town's web site www.derry-nh.org and review all the assessments throughout the town, along with searching for all sales of similar properties.