

Frequently Asked Questions **Regarding the Assessment Process**

It seems the Assessor is at my house every year. Why is that?

The Town of Warner has contracted with Avitar Associates to complete a revaluation (complete measure and list) project with an update of all property values to market value with an assessment date of 04-01-2025. If you have recently pulled a permit or your home is flagged for ongoing construction, you will see the Assessor annually around the April 1st date. We are working diligently to minimize the visits to properties as we don't want to unnecessarily bother you any more than you want to see the Assessor. We apologize if our visits are obtrusive. We merely want to ensure the data is accurate so that ALL taxpayers are assessed fairly and equitably.

Why is my new assessment different than the refinance appraisal I just received?

Appraised values and assessed values should be similar to one another, so long as the date of the appraisal and the assessment are similar. Assessments are brought to market value once every five years. We as Assessors must rely on only arm's length, non-distressed sales when arriving at assessments for a community. If an appraiser has included or relied upon a distressed sale, like a short sale, it is likely you will see a difference between the two value opinions. Also, time is a big factor. Property is assessed in NH as of April 1st and Towns are only obligated to bring assessments to market value once every five years. The State of NH Department of Revenue annually compares assessments to recent sales to determine at what percentage of market value assessments in each Town are at. The indicated median ratio can be applied to current assessments to determine what the indicated market value of a property is. For example, if a home is assessed at \$250,000 and the median ratio in the Town is 74.8% then the indicated market value of that property is \$334,200 rounded (\$250,000 divided by .748). That is the number you would want to compare to a recent appraisal or comparable sales to determine if your assessment is a reasonable value conclusion. Industry standards indicate that 2 market value opinions that are within 10% of one another would be deemed complementary. Using the above-example if your appraisal offered a value opinion of \$310,000 it would complement the equalized assessment (\$334,200) and is within the 10% reasonable range (\$279,000 to \$341,000). It would appear the assessment as arrived at is fair. This example illustrates an appreciating market where assessments are roughly 25% below market value.

The goal of the reassessment process is to bring all assessments back to 100% of market value as of April 1st. Opinions between industry professionals may vary, but they should be generally supportive of one another as we are all relying upon comparable sales to develop an opinion of value. A fee appraiser will rely upon a few sales to develop a value opinion for your property. As your Assessor, we rely upon a process called Mass Appraisal. We analyze all of the sales in the Town and develop base land and building values and then compare each home to the sale properties to develop your assessment. The shift in supply and demand has led to limited inventory of housing stock and increasing housing prices. This means through this update process you will likely see your assessment increase dramatically. This does not mean that your taxes will go up. Taxes are a mechanism of the Town Budget and the Town Valuation. If the

total Town value increases on average say 35% and the budget stays the same, the tax rate would drop proportionally, hence the tax burden would remain similar. The tax rate is set by the State of NH and the Town is not allowed by State Law to collect more money than they were approved to spend. We often hear taxpayers state, "What is the Town going to do with all this extra money they are going to get", this is a common misconception and is entirely false. While they are allowed to hold aside a small amount of funds to cover costs like unexpected legal fees and the like, the tax rate is derived by the amount of funds needed to "pay the bills" as approved by the voters.

Last time the Town updated values the Assessors just did a drive by assessment. Don't they need to look inside my home to properly assess it?

Remember, your home has been viewed as part of the Town wide revaluation measure and list phase. If Avitar was unable to view the interior on the first visit to your property they would have left a door tag notifying you of their visit and then later sent a letter asking you to call and arrange an appointment for an interior inspection. If they did not gain access at that time to the interior it would be estimated. As such, it is crucial to the process to ensure the data on your record is accurate as incorrect data could lead to an inaccurate assessment for your property.

The final phase of the revaluation process involves the Assessing Supervisor (with another Assessor) driving the entire Town and reviewing the data that was previously collected. They may sit in front of your home and/or drive up your driveway to get a better look. This is not a drive by assessment, but rather a double check to ensure the data entered accurately depicts what is on each lot.

What is market value and who determines my assessment?

Market value is determined by people (buyers and sellers) and their emotional likes and dislikes. It is not an exact science and certain factors that appeal to one buyer may not appeal to another buyer. The state of the economy has an overall affect real estate values. Arm's length (non-distressed) sales are analyzed by the Assessing Supervisor for the job and an assessment model is created based on those sales. The model is essentially a market-modified cost approach. Cost tables are calibrated based on the indications from local sales so that the model should accurately estimate values (assessments) as of April 1st in any given year the update is completed.

I received my preliminary notice of value. How do I know, as an average taxpayer, whether the assessment the Assessor arrived at is representative of market value.

As an average lay person, you likely wouldn't. however the letter you receive provides you with information for access to the online database. Within that database are all of the sales that have occurred in the Town and there is a function (sales search) within that database that allows you to search for sales and to enter criteria (such as size, bedroom count etc.) to find sales that are similar to your property. No two homes are exactly alike, so you have to give consideration to the differences that exist between your home and the sale properties. If after reviewing this information you feel your assessment is too high (or too low) the letter provides information for

you to arrange for an appointment to discuss with the Assessor. The appointments are scheduled for a later date at a specific time. This is a meaningful process and helps the average lay person understand the assessing process a bit better and oftentimes potential disputes over value can be rectified.

I went to the informal hearing with the Assessor. I still think my property is over-valued. What can I do?

The informal hearing is merely that, informal. The next step would be to wait until you receive your final notice of tax (usually your December tax bill) and then file an abatement with the Town (before March 1st). However, the obligation is the taxpayers to indicate in detail why they feel they are over-assessed. If you have an appraisal or sales comparisons this would be the time to present them. All of the information submitted will be reviewed and you will receive a written letter explaining why your abatement was granted or denied. If your abatement is denied and you still do not agree you have the right to file an appeal with the Board of Tax and Land Appeals in Concord or Superior Court, but not both. You have until September 1st to do so following July 1st or the date you were denied (if earlier than July 1st). The burden of proof lies with the taxpayer, so you must be prepared and have evidence to support your claim if you are to be successful in either venue. Claims that your taxes are too high or your value is too high without corroborating evidence are often unsuccessful.

General Statements

The field review process often uncovers situations unknown to the Town. For example, we often find properties in current use with understated areas of what is not in current use. This will likely result in you receiving notice that we found the area not in current use inaccurately listed. We use Google imagery (or Bing maps) to layout the disturbed area. This will result in an increased land area being shown not in current use on your record card, as well as a land use change tax bill. This is the law. Following field review, we report our findings to the Board of Selectmen, so they are aware of what we discovered and a recommendation for the land use change tax bill to be issued.

We oftentimes find improvements on properties not known or being assessed for. The fact that the improvement may have been there for 20+ years is of no consequence and the law requires we correct the information on record and properly value. Taxpayers are urged to review their assessment data to ensure accuracy as errors do occur and taxpayers share some responsibility in ensuring their data is accurate.