



PROPERTY APPRAISAL AND ASSESSMENT

The Facts and the Process

Preamble

When our Legislature blessed introduction of the Statewide Property Tax in response to a court-ordered education remedial action plan, the City of Portsmouth legally challenged the State of New Hampshire (Sirrell –v– the State of New Hampshire) regarding the constitutionality of such a tax. As we all know, the City lost the challenge and in fact, the Supreme Court laid down firmly that Towns and Cities had an obligation under the State Constitution to conduct a revaluation every 5 years, and State Law (RSA 75:8) to annually review and make annual adjustments to property values to reflect any change in market values. In the past, many towns and cities simply had not conducted any market activity analysis until such time as it was necessary to conduct a revaluation ~ usually a 10 to 15 year gap for many communities.

What this now means for Enfield Assessment practices

Since the Court ruling in “Sirrell –v– the State of New Hampshire” regarding how towns shall conduct their assessing business, the State has been completely overhauling the revaluation and assessing process so that a “Revaluation” will become an on-going process rather than the occasional event that we were all used to.

Enfield has been proactive with the help of our Assessor and Assessing Administrator to meet what is now widely known as the “*Certification*” process. Towns will now be audited for this certification and will be expected to provide evidence that

- ❑ They are in compliance with tax laws and regulations;
- ❑ Provide a process for annual review of property values, and if necessary, provide for change annually;
- ❑ Provide a mechanism that all property will be physically revalued at least every 5 years (State Constitution requirement);
- ❑ Ensure that all towns in a Cooperative School District such as Mascoma School District are on the same audit schedule for certification.

How Enfield will Meet the Requirements of the State of New Hampshire Certification Process

The Assessors, Board of Selectmen and Town Manager have engaged in many discussions about on-going assessment issues, especially in light of the state’s requirement that towns certify that they are assessed at market value every 5 years in

keeping with State guidelines. In addition we are mindful that State law (RSA 75:8) states that towns *shall* make annual adjustments to property values to reflect any change in market value.

After consultation with the Department of Revenue Administration's Property Appraisal Division and our own consultant Assessor, the Board concurred that

- ❑ The fairest approach to these requirements would be to conduct an annual market analysis;
- ❑ Every year, the assessors will conduct a sales analysis to determine the current assessment to sales ratio;
- ❑ If the analysis shows that the fair market value of property is changing i.e. either going up *OR* coming down, the Town will adjust property values accordingly;
- ❑ Recognition that it is possible that property values could change every year if the market changes every year;
- ❑ The Board of Selectmen recognize that to keep up with physical changes to the property there is the necessity of having the assessors inspect approximately 25% of the town each year to complete the 5-year constitutional requirement.

Property owners should know that unless there are changes to your property or mistakes that are corrected, the 25% annual inspection process itself would *not* result in a change of property value. The inspection data will be used for neighborhood market analysis, which may be used at a future date to adjust values. We take this opportunity to stress that the any market adjustment will be trended for the whole neighborhood, and not individual property owners. The regular inspection cycle allows the Town to manage the cost of re-inspection while avoiding the disruption of a mass revaluation and inspection for everyone.

Enfield will meet the challenge of our first certification audit in 2004. As you can see, it is a complicated process ~ Julie Huntley stands ready to help with your assessment questions. You can contact the office at 632 ~ 4201 or e-mail Julie at jahuntley@enfield.nh.us. A copy of this informational flyer will be available at our web site: www.enfield.nh.us.

Respectfully Submitted
April Whittaker