



TOWN OF DEERING
Deering Board of Selectmen
762 Deering Center Road
Deering, NH 03244

ASSESSING POLICY AND PROCEDURE

In accordance with RSA Chapter 75, appraisals are the responsibility of the Board of Selectmen. Even when there is a town wide revaluation by professional assessors the Selectmen still have the final word on assessed value.

The Selectmen's Office is responsible for maintaining and updating the Town's property assessment records, provides assessing and sales information to the general public, and delivers an updated tax assessment roll to the tax collector for semi-annual tax billing. This office also handles tax abatements, current use classification, timber tax, exemptions, and tax credits. This office is guided by a set policy for hearing appeals regarding property assessment.

The contracted assessor conducts property inspections on a regular basis. Any property that has changed in value over the prior year must be revalued. The appraisal is calculated to determine value as of April 1 of that year. Land that has been subdivided as of April 1 should be appraised as separate tracts.

HOW YOUR PROPERTY IS ASSESSED

The Assessor first reviews all the property to be assessed then values it. Accurate appraisals require constant searching and digging for significant facts to accumulate and analyze in order to estimate the fair market value of your property.

What is market value?

Finding the market value of your property involves discovering the price most people would pay for it in its present condition. It's not quite that simple, however, because the assessor has to find what this value would be for every property, no matter how big or how small. But the assessor's job doesn't stop there. Each year it has to be done all over again, because the market value of almost everything changes from one year to the next - as we all know. Towns in New Hampshire have traditionally not maintained assessments at 100% of market value on a yearly basis.

How is property appraised?

To find the value of any piece of property the assessor must first know what properties similar to it are selling for, what it would cost today to replace it, how much it takes to operate and keep it in repair, what rent it may earn, and many other dollar facts affecting its value, such as the current rate of interest charged for borrowing the money to buy or build properties like yours. Using these facts, the assessor can then go about finding the property's value in three different ways.

SALES COMPARISON APPROACH: The first method compares your property to others that have sold recently. These prices, however, must be analyzed very carefully to get the true picture. One property may have sold for more than it was really worth because the buyer was in a hurry and would pay any price. Another may have sold for less money than it was actually worth because the owner needed cash right away. The property was sold to the first person that made an offer. When using the sales comparison approach, the assessor must always consider such overpricing or under pricing and analyze many sales to arrive at a fair valuation of your property. Size, quality, condition, location, and time of sale are also important factors to consider.

COST APPROACH: A second way to value your property is based on how much money it would take, at current material and labor costs, to replace your property with one similar. If your property is not new, the assessor must also determine how much it has depreciated. In addition, the assessor must estimate how much a lot like yours would be worth if vacant.

INCOME APPROACH: The third way is to evaluate how much income your property would produce if it were rented as an apartment house, a store, or a factory. The assessor must consider operating expenses, taxes, insurance, maintenance costs, and the return most people would expect on your kind of property.

Why do assessed values change from year to year?

When market value changes, naturally so does assessed value. For instance, if you were to add a garage to your home, the assessed value would increase. However, if your property were in poor repair, the assessed value would decrease. The assessor has not created the value. PEOPLE MAKE VALUE by their transactions in the marketplace. The assessor simply has the legal responsibility to study those transactions and appraise your property accordingly.

Assessed value & the tax rate:

The assessor has nothing to do with the total amount of taxes collected. The assessor's primary responsibility is to find the fair market value of your property, so that you may pay only your fair share of the taxes. The amount of taxes you pay is determined by a TAX RATE applied to your property's ASSESSED VALUE. The tax rate is determined by all the taxing agencies - town, county and school district - and depends on what is needed to provide all the services you enjoy.

Why have a property tax?

Properties are appraised so that those of us who want the advantage of having schools, fire and police protection, and other public benefits (which means just about all of us), can absorb our fair share of the cost, in proportion to the amount of money our individual properties are worth. The property tax should be part of a well-balanced revenue system. It is a stable source of money rather than sales and income taxes because it does not fluctuate when communities have recessions. When the community

spends your tax dollars on better schools, parks, and so on, your property values rise. Some of the windfall benefits you receive are recaptured by the property tax.

Your rights and responsibilities:

If your opinion of the value of the property differs from the assessor's, by all means go to the Selectmen's office and discuss the matter. They will be glad to answer the questions about the appraisal and explain how to appeal if you cannot come to an agreement. The assessor relies on the property owner for information. You can help by providing accurate information. If you feel taxes are too high, you should make your opinion known to the elected officials. Ask about your eligibility for special exemptions.