State of New Hampshire
Department of Revenue Administration

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BY

4/27/2015

TOWN OF NORTH HAMPTON
OFFICE OF SELECTMEN
233 ATLANTIC AVE
NORTH HAMPTON NH 03862

Dear Assessing Officials:

Earlier in 2015, you were notified of your town's 2014 sales-assessment weighted mean ratio. Since that time, the Department of Revenue Administration has completed the process of calculating the total equalized values for each municipality and unincorporated places throughout the state pursuant to RSA 21-J:3 XIII.

Two total equalized figures were calculated for each municipality: The "Total Equalized Valuation **Including** Utility Valuation and Railroad Monies Reimbursement" will be used to calculate your municipality's portion of the county tax and cooperative school district taxes, if applicable. The "Total Equalized Value **Not Including** Utility Valuation and Railroad Monies used to calculate each municipality's portion of the state education property tax.

In order to fulfill the requirements of RSA 21-J:3 XIII, adjustments have been made to the modified assessed valuation to bring such valuation to true and market value. Enclosed with this letter are informational sheets that summarize how each of the following figures was calculated.

Town Name: NORTH HAMPTON	**Including** Utility Valuation and Railroad Monies Reimbursement	**Not Including** Utility Valuation and Railroad Monies Reimbursement
2014 Modified Local Assessed Valuation	1,020,600,900	1,006,215,800
+ D.R.A. Inventory Adjustment	69,048,897	68,791,137
= 2014 Equalized Assessed Valuation	1,089,649,797	1,075,006,937
+ Equalized Payment in Lieu of Taxes	0	0
+ Equalized Railroad Tax	0	0
= 2014 Total Equalized Valuation	1,089,649,797	1,075,006,937
2014 Equalized Assessed Valuation	1,089,649,797	
+ Adjustment RSA 31-A (Shared Revenues)	0	
= Base Valuation for Debt Limits	1,089,649,797	

This letter is official notification of your 2014 Total Equalized Valuation(s). You have the right to appeal these valuations to the N.H. Board of Tax and Land Appeals pursuant to RSA 71-B:5 II. The appeal period is not extended due to any communication, either verbal or written, between the D.R.A. and a municipality regarding the total equalized valuations.

If you have any questions regarding the computation of your total equalized assessed valuation(s), please contact this office at 230-5950.

Sincerely,

Linda C. Kennedy, Manager
Equalization Bureau

TDD Access: Relay NH 1-800-735-2964
Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
2014 EQUALIZATION INFORMATION SHEET

This informational sheet has been provided to explain and summarize the information contained in each municipality's notification of "Total Equalized Valuations," the appeal process, Assessing Standards Board, etc.

The following is a brief explanation of how each municipality's "Total Equalized Valuations" were calculated:

MODIFIED ASSESSED VALUATION: It may be helpful to refer to page 2 of the MS-1 report provided by your municipality to the Department of Revenue Administration in the fall of 2014.

"GROSS LOCAL ASSESSED VALUATION" - Sum of all assessed values in the municipality
- Certain Disabled Veteran's: RSA 72:36-a
- Improvements to Assist Persons who are Deaf: RSA 72:38-b V
- Improvements to Assist Persons with Disabilities Exemption: RSA 72:37-a
- School Dining/Dormitory/Kitchen Exemption: RSA 72:23 IV ($150,000 max per exemption)
- Water & Air Pollution Control Exemption: RSA 72:12-a

= **"MODIFIED ASSESSED VALUATION"**

- Blind Exemption: RSA 72:37
- Elderly Exemption: RSA 72:39-a & b
- Deaf Exemption: RSA 72:38-b
- Disabled Exemption: RSA 72:37-b
- Wood-Heating Energy System Exemption: RSA 72:70
- Solar Energy System Exemption: RSA 72:62
- Wind Powered Energy System Exemption: RSA 72:66
- Additional School Dining/Dormitory/Kitchen Exemption: RSA 72:23 IV (exemption amount > $150,000).

= **"NET LOCAL ASSESSED VALUATION"** - The municipal, county, and local school tax rates are computed using the net local assessed valuation.

TAX INCREMENT FINANCE DISTRICTS (TIFS): RSA 162-K:10 III - The retained captured assessed value is added to the modified assessed value and will be equalized for all TIF districts created after 4/29/99. The original assessed value is used to set a municipality's tax rates.

DRA INVENTORY ADJUSTMENT: The sum of the adjustments of the modified local assessed valuation is divided into three categories.

Category 1: The total modified local assessed value of land (excluding land in current use, conservation restriction assessment, discretionary easements, and utilities), buildings and manufactured housing is equalized by the 2014 equalization ratio. This category includes discretionary preservation easements, taxation of farm structures and land under farm structures. The difference between the modified local assessed valuation of land, buildings and manufactured housing and the equalized value equals the DRA adjustment for land, buildings, and manufactured housing.

Category 2: An adjustment for land assessed at current use, conservation restriction assessment, discretionary easements values is made. This adjustment is calculated by dividing the total net local assessed valuation for land in these two categories by the 2013 equalization ratio to obtain the equalized value of current use, conservation restriction assessments and discretionary easements. If a municipality has had a full revaluation or cyclical revaluation as defined by Rev 601.16 and 601.24, a ratio of 100.0 is used.

The difference between the local assessed value of the land and the equalized value equals the DRA adjustment for current use, conservation restriction assessments and discretionary easements.

Category 3: A DRA adjustment for public utilities, as defined by RSA 83-F is made by comparing the market value of the utility as determined by the DRA to the net local assessed value of the utility. The difference between the assessed value and the market value equals the adjustment. The value of public utilities is not added into the "Total Equalized Value Not Including Utility Value or Equalized Railroad Taxes."

EQUALIZED ASSESSED VALUATION: The sum of the "modified local assessed valuation" plus the inventory adjustment. The equalized assessed valuation represents the equalized value of all "taxable" properties in a municipality.

PAYMENT IN LIEU OF TAXES: The equalized value for payments received in lieu of taxes includes State & Federal Forest Land Reimbursements, Recreation Land Reimbursements, Flood Land Reimbursements, and others.

RAILROAD TAX: The equalized value for monies received from the railroad tax. This figure is not included in the "Total Equalized Valuation Not Including Utility Values and Equalized Railroad Taxes."

TOTAL EQUALIZED VALUATIONS *INCLUDING* UTILITY VALUE AND EQUALIZED RAILROAD TAXES: The sum of the equalized assessed valuation, the equalized value of payments in lieu of taxes and the equalized value of the railroad tax monies.

The Total Equalized Valuation including the value of utilities and equalized value of railroad monies reimbursed to municipalities represents the equalized value of all property in a municipality including utilities and will be used to:

- Apportion county taxes for the 2015 tax year;
- Calculate state reimbursements, and;
- Apportion cooperative school taxes for the 2015 tax year;
- Calculate the state education tax for the 2016 tax year.

TOTAL EQUALIZED VALUATIONS *NOT INCLUDING* UTILITY VALUE AND EQUALIZED RAILROAD TAXES: The sum of the equalized assessed valuation and the equalized value of payments in lieu of taxes.

The ***2014*** "total equalized valuation not including utility and equalized value of railroad monies reimbursed to municipalities" will be used to apportion the state education property tax for the tax year 2016. The ***2013*** total equalized valuation not including utilities and the value of railroad monies reimbursed to municipalities will be used to apportion the state education property tax for the tax year 2015.

ADJUSTMENT RSA 31-A SHARED REVENUES: The equalized value of monies received from the shared revenues distributed pursuant to RSA 31-A. These values are **NOT** part of the "Total Equalized Valuation" of a municipality *(RSA 21-J:3 XIII change eff. 2002)*. Meals and Rooms Tax revenues distributed to municipalities pursuant to RSA 78-A:26 are not equalized and, therefore, are not included in this amount. ***RSA 31-A has been suspended for the biennium ending 6/30/2015 as provided by HB 2, 2013, 144:2) Therefore, no monies were equalized.***

BASE VALUATION FOR DEBT LIMITS - RSA 33:4-b: The sum of the equalized assessed valuation plus the equalized valuation of the shared revenues. The base valuation for debt limits is used to determine a municipality's, school district, or village district's bonding capacity. This figure is provided to municipalities, banks, bonding companies, and other interested parties who request a "Base Valuation for Debt Limit Certificate."

TOTAL EQUALIZED VALUATION: The total equalized valuation for each municipality does not include the equalized value of monies received from shared revenues. The base valuation for debt limit, however, does include the equalized value of monies received from shared revenues.

% PROPORTION TO COUNTY TAX: The percentage of proportion to $1,000 of tax that is to be allocated to each town within the county comparing each municipality's total equalized value to the total equalized value of the county.

% PROPORTION TO STATE TAX: The percentage of proportion to $1,000 of tax that is to be allocated to each town within the state by comparing the town's total equalized value to the total equalized value of the state.

LOCAL TAX RATE: The actual tax rate as calculated by the Department of Revenue Administration, Municipal and Property Division. The tax rate includes the municipal, county, local school and state education property tax rates.

EQUALIZATION RATIO: The 2014 equalization ratio as determined by a ratio study conducted by the Department of Revenue Administration's equalization staff. As a rule, the municipality's weighted mean ratio point estimate calculated to a tenth of 1% will be used to adjust the municipality's modified local assessed valuation.

If there were insufficient sales and/or it is determined that the weighted mean does not accurately reflect the level of assessment in a municipality, another ratio may be used.

FULL VALUE TAX RATE: The 2014 gross local property taxes to be raised as reported by the Department of Revenue Administration, Municipal & Property Division, divided by the total equalized valuation including utility values and equalized railroad taxes. This figure represents the estimated tax rate for a municipality if all the taxable property was assessed at 100% and includes the equalized value of properties for which a payment in lieu of property taxes is made.

APPEAL OF TOTAL EQUALIZED VALUATION

Municipalities were sent their 2014 Notification of Total Equalized Valuations on April 30, 2015.

Per RSA 71-B:5, II, any municipality aggrieved by the total equalized valuation as determined by the DRA must appeal to the Board of Tax and Land Appeals in writing **within 30 days of the town's notification** of the municipality's total equalized valuation.

The appeal period is not extended due to any communication, either verbal or written, between the DRA and a municipality regarding the total equalized valuation.

ASSESSING STANDARDS BOARD – RSA 21-J:14-a

The duties of the Assessing Standards Board (ASB) included:

- Review the procedures of the prior year's ratio studies conducted by the Department of Revenue Administration;
- Establish procedures for improving the ratio studies for the forthcoming property tax year;
- Develop standards for equalization; and
- Review, revise and approve the equalization manual published by the Department of Revenue Administration.

MUNICIPAL & PROPERTY DIVISION MONITORING STAFF

The Municipal & Property Division staff plays an active role working with towns on their ratio studies. Some of the services they provide include:

- Training municipal officials to data enter the assessment information electronically
- Reviewing the sales information with municipalities prior to the ratio setting process
- Explaining the meaning and significance of the statistics resulting from the ratio study process

"STATEWIDE EDUCATION PROPERTY TAX" WARRANT - RSA 76:8

Each municipality was sent a "statewide enhanced education tax" warrant for the tax year 2015 before December 15, 2014. The new 2014 total equalized valuation figures do not affect the warrant amounts because they were calculated using the 2013 total equalized values without utilities.

DRA WEBSITE - http://www.nh.gov/revenue Subcategories: NH Icon, Municipal & Property Division, Equalization, and choose Tax Year

The following items are available on the DRA website:

- Assessment Report - exemptions & tax credits for each municipality
- Blind Exemption Report
- Coefficient of Dispersion (COD) List
- Comparison of Full Value Tax Rates
- Current Use Report
- Debt Limit
- Elderly Exemption Report – Taxes Lost
- Equalization Survey including Utilities
- Equalization Survey not including Utilities
- Equalization Manual
- Median Ratio List
- Price Related Differential (PRD) List
- Property and Exclusion Codes
- Equalization Ratio List (Weighted Mean)
- Tables by County
- Veteran's Tax Credit Report

The 2014 Equalization Survey and associated reports should be completed and placed on the web by June 15, 2015. We invite you to take the opportunity to browse the website. Please let us know if you have any suggestions for documents you would like put on the website.

THANK YOU

I would like to take this opportunity to thank you for your cooperation with this year's equalization study and to invite you to make suggestions or express concerns regarding the equalization process. Questions regarding the equalization process in general or how specific numbers were calculated; please feel free to contact this office at 230-5950.