

2017  
Statistical  
Revaluation  
Forum

August 29, 2017

The seal of the City of Portsmouth, New Hampshire, is a circular emblem. It features a central illustration of a harbor scene with a ship and buildings. The text "CITY OF PORTSMOUTH - N.H." is written around the top inner edge, and "INCORPORATED 1849" is written around the bottom inner edge. The seal is surrounded by a laurel wreath.

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Vision Government Solutions

In the State of New Hampshire, Property Tax is the Primary method of Financing Local Governments

How Does the Budget Process, Assessment Process and Tax Rate Work Together”

Budget

Driving Factor of the Tax Rate

Tax Rate

Assessments

Basis of which the Property Taxes are to be raised and apportioned to Property owners.

## 2018 Annual Budget, Assessments and Tax Rate Timeline

- **November 2016** – *Joint Budget Committee*
- **January 2017** - *the City Council voted to accept the recommendation from the JBC to have the Operating Budget presented at no more than a 4% increase over FY17.*
- **April 2017**, *the City Manager presented the proposed budget to the City Council.*  
*The proposed budget includes:*
  - *Estimated Revenues*
  - *Estimated County Tax Obligation*
  - *Estimated Property Valuation including growth – Valuation as of April 1, 2017*
  - *Estimated Tax Rate*
- **May 2017** – *All day work-session, Public Hearing, Public Comments, additional CC work-sessions*
- **June 2017**– *The FY 2018 budget was adopted by the City Council.*

# 2018 Annual Budget, Assessments and Tax Rate Timeline - Continued

- **September 2017** - *Property Values as of April 1, 2017 are submitted to the Department of Revenue Administration (DRA) for review.*
- **October 2017** -
  - *State Revenues are certified*
  - *County Tax Obligation is established*
  - *Tax Rate is calculated and certified*

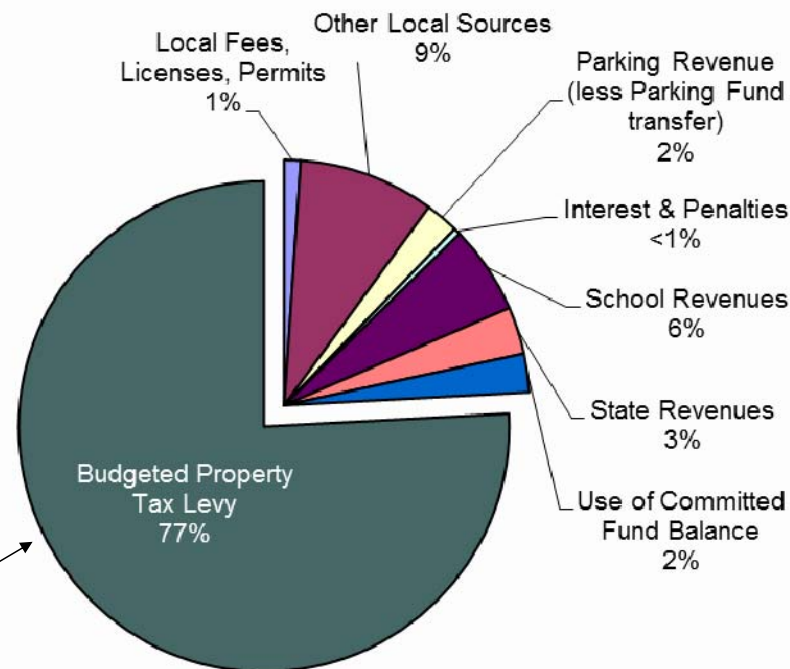
# 2018 Adopted Budget

The Property Tax System in the State of NH is the Primary method of Financing Local Governments

<b>EXPENDITURES:</b>	
OPERATING	85,170,200
NON-OPERATING	24,278,405
<b>ADOPTED BUDGET</b>	<b>\$109,448,605</b>

<b>REVENUES:</b>	
LOCAL SOURCES	9,815,677
SCHOOL TUITION	6,369,332
STATE REVENUE	3,412,382
NET PARKING REVENUES	2,412,305
INTEREST/PENALTIES	485,000
FEES AND PERMITS	1,167,000
USE OF RESERVES	2,781,000
<b>REVENUES</b>	<b>\$26,442,696</b>

**PROPERTY TAX LEVY \$83,005,909**



The amount of money which must be raised through taxes (Property Tax Levy) – appropriations minus all other estimated revenue – is the major factor which drives the property tax rate.

*“The City is raising property valuation to raise more money”*

TRUE

FALSE

# Understanding Tax Rate Calculation

Voted Appropriations minus all Other Revenue divided by  
Local Assessed Property Value = Tax Rate

	<i>Tax Year 2016 Fiscal Year 2017</i>	<i>Tax Year 2017 Fiscal Year 2018 At Budget Adoption</i>	<i>Tax Year 2017 Fiscal Year 2018 Statistical Revaluation</i>
<b>Property Valuation</b>			
<b>W/ Utilities</b>	\$4,771,704,551	\$4,806,704,531	\$5,395,502,446
<b>W/O Utilities</b>	\$4,586,279,780	\$4,621,279,780	\$5,256,082,154
<b>Property Tax Levy</b>	\$80,485,995	\$83,005,909	\$83,005,909
<b>Tax Rate/\$1000</b>	\$17.04	\$17.47	\$15.53

Property Valuation is the Basis on which Property Taxes are to be raised and apportioned to each property owner.

# Property Tax Calculator

Assessed Property Valuation  $\div$  1,000 x Tax Rate = Property Taxes

Median Single Family Valuation

$\$412,700 \div \$1,000 \times \$15.53$

Estimate

\$6,409





# *2017 Statistical Revaluation*

# Why Are We Doing Another Revaluation Two Years Later



- To Adhere to Laws and Standards
- To Maintain Stability



## Who Controls the Assessment Process and Who Creates Standards

- NH State Statute Controls the Process
- NH Assessing Standards Board Creates Standards
- NH Department of Revenue Administration Oversees and Reviews

# Why Assessed Values Can Change from Year to Year.



- Changes in the Real Estate Market
- Changes in Property Characteristics
- External Economic Forces

## **The Assessor does not change the value**

People create value by buying and selling property or by making changes to their property.

# How Assessments Are Determined



- What Similar Properties Are Selling For (Sales Approach)
- Cost To Replace (Cost Approach)
- How Much It Takes To Operate And Keep In Repair (Income Approach – Commercial Properties)

# What Drives Your Property Value



- Location (Market Area or Neighborhood)
- Land Area (Lot Size)
- Quality of Construction (Grade)
- Size ( Building Square Footage)
- Style (Antique Colonial, Cape, Ranch, etc.)
- Depreciation (Condition)
- Property Characteristics (Style, Bedrooms, Baths, Flooring, Siding, etc.)
- Extra Features (Extra Kitchen, Finished Basements, etc.)
- Out Buildings (Garage, Sheds, Pools, etc.)

# Sales in Market Area 103B

Sale Count  
34

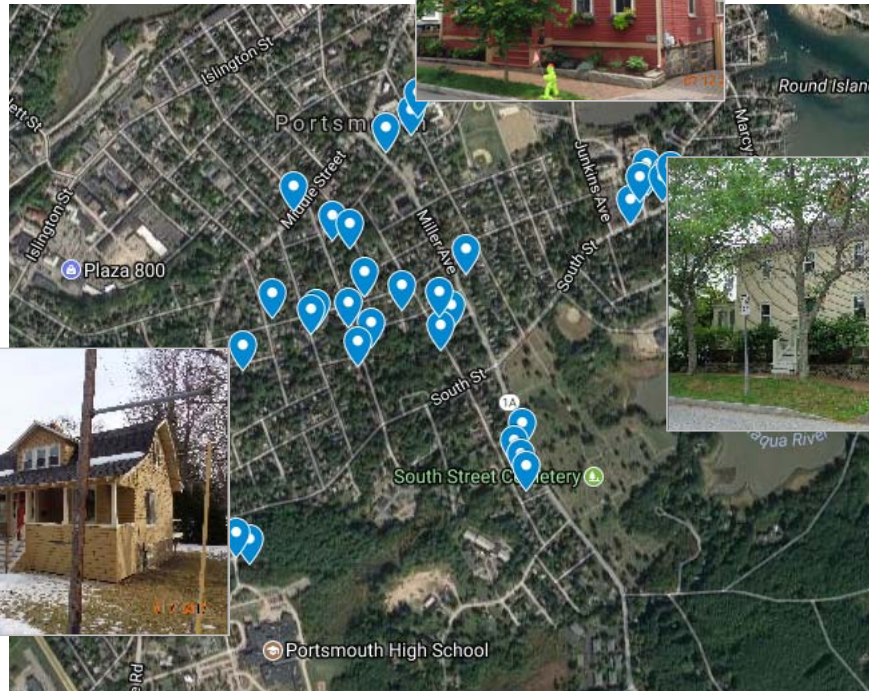
Median 2016 Assessment  
\$537,600

Median Sale Price  
\$626,000

Median 2017 Assessment  
\$620,100



44 Mendum Ave  
Sold \$700,000  
2016 Assessment  
\$586,400



97 Richards Ave  
Sold \$635,500  
2016 Assessment  
\$597,800



213 South St.  
Sold \$625,000  
2016 Assessment  
\$570,000

# Sales in Market Area 118

Sale Count  
18

Median 2016 Assessment  
\$236,900

Median Sale Price  
\$295,000

Median Assessment  
\$294,100



100 Patricia Dr  
Sold \$377,500  
2016 Assessment  
\$322,200



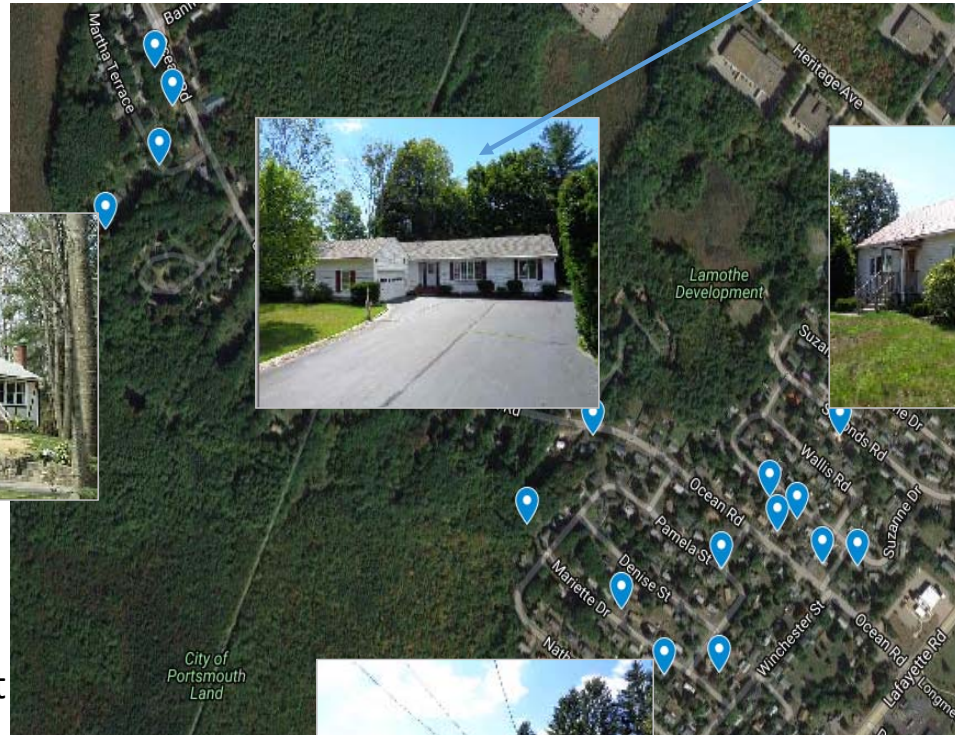
377 Ocean Rd  
Sold \$335,000  
2016 Assessment  
\$298,700



7 Simonds Rd  
Sold \$280,000  
2016 Assessment  
\$252,400



17 Mariette Dr  
Sold \$304,500  
2016 Assessment  
\$269,400





# Sales in Market Area 130

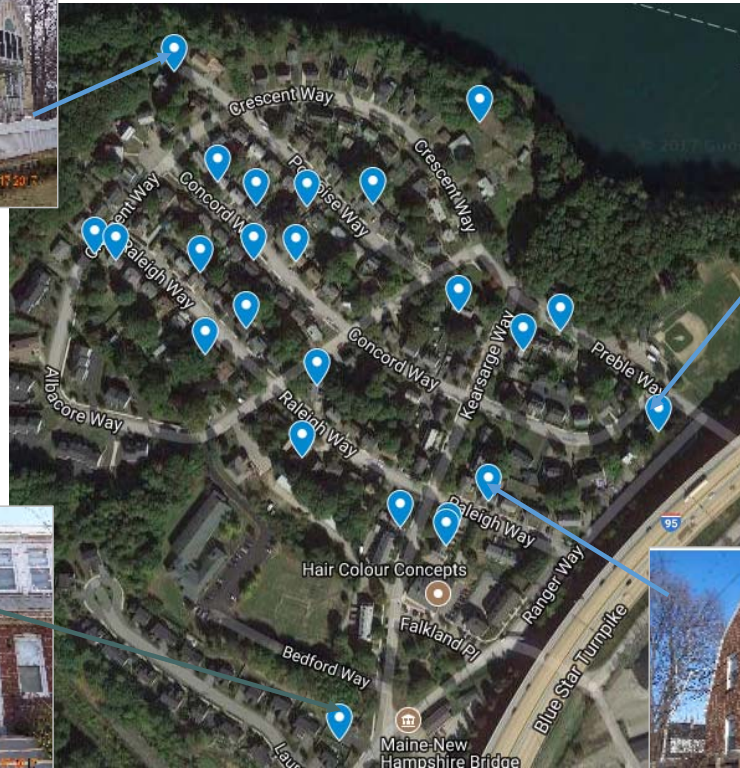
Sale Count  
24  
Median 2016  
Assessment  
\$207,450  
Median Sale Price  
\$234,750  
Median Assessment  
\$240,450



187 Porpoise Way  
Sold \$562,000  
2016 Assessment  
\$520,200



537 Kearsarge Way  
Sold \$203,000  
2016 Assessment  
\$186,400



13 Concord Way  
Sold \$450,000  
2016 Assessment  
\$361,900



50 Raleigh Way  
Sold \$222,000  
2016 Assessment  
\$202,300

# Sales in Market Area 131

Sale Count  
23

Median 2016 Assessment  
\$360,800

Median Sale Price  
\$421,000

Median 2017 Assessment  
\$443,800

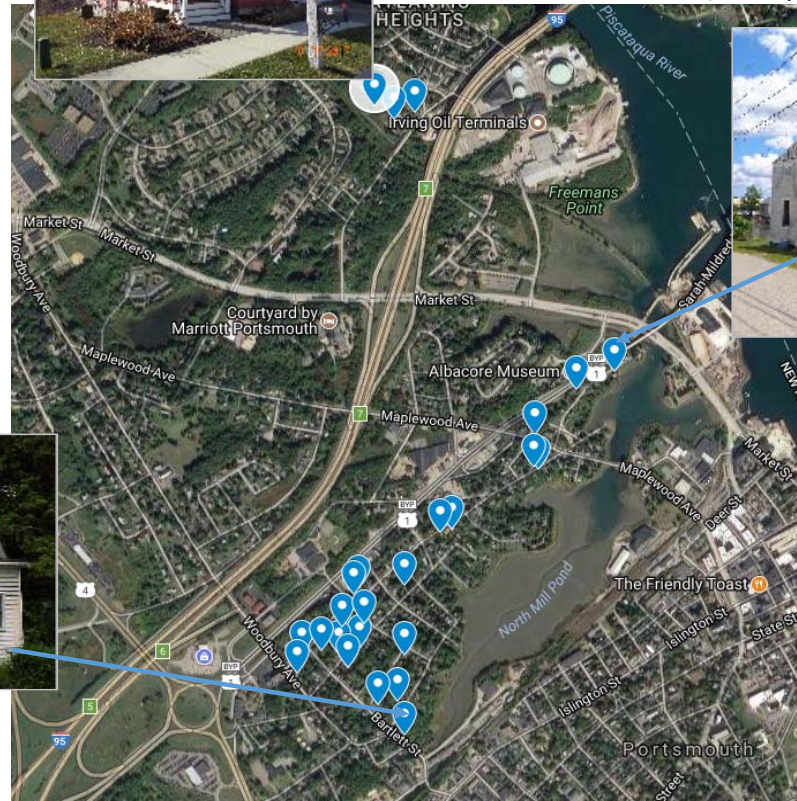
43 Laurel Court  
Sold \$512,000  
2016 Assessment  
\$446,400



206 N. West St  
Sold \$760,000  
2016 Assessment  
\$713,600



165 Bartlett St.  
Sold \$392,000  
2016 Assessment  
\$355,900



# Resale Properties Since the 2015 Revaluation



Sold 7/2015  
for  
\$245,000  
Resold  
7/2017 for  
\$307,000



Sold 12/2015  
for \$445,000  
Resold 3/2017  
for \$475,000



Sold 5/2015  
for \$685,000  
Resold  
10/2016 for  
\$730,000



Sold 6/2015  
for \$505,000  
Resold  
9/2016 for  
\$599,900



Sold 7/2015  
for \$470,000  
Resold  
6/2017 for  
\$600,000



Sold 6/2015  
for \$187,000  
Resold 4/2017  
for \$240,000



Sold 2/2016  
for \$225,000  
Resold  
3/2017 for  
\$257,000



Sold 7/2015  
for \$279,000  
Resold  
10/2016 for  
\$338,000



Sold 7/2015 for  
\$625,000 Resold  
7/2017 for  
\$745,000

# How to Get Question Answered Appeal Process



Informal Appeal Process –

Hearings going on Now thru September 11<sup>th</sup> for Residential Properties.

Formal Appeal Process

Property Owners may file an abatement application  
by March 1, 2018.

Assessor's office reviews abatements applications and notifies property  
owners by July 1, 2018

Property owners who then wish to appeal the decision further file with  
either the State of New Hampshire Board of Tax and Land Appeals or  
Rockingham County Superior Court no later than September 1, 2018.



## Revaluation Information and Documentation

- Available on the Assessor's Web Page
- Assessor's Office
- City of Portsmouth Library



# Discussion