

## Startup Meeting Guide

- The point of this meeting is to detail or give an overview of the update, or revaluation process.
- Every community goes through this process at least once every five years, as required by law, RSA 75:8-a and this is the year for Deerfield.
- The purpose of the revaluation is to bring property assessments to market value as of April 1, 2020. I will be the supervisor in charge. The Town has opted to not require a bond. Avitar has provided the DRA with a copy of the contract and a copy of an insurance certificate.
- The real estate market is constantly changing and state law requires that every community undertake a revaluation at least once every five years to bring property assessments up or down to market value. If the market has appreciated then values, on average, will go up. The state tracks the market changes from year to year through the annual equalization process. For instance your EQ ratio for 2019 was 80.9%, which indicates, on average; assessments were at 80.9% of what they were selling for in 2019. The reference point for that ratio is the last revaluation, 5 years ago.
- However, not all classes or types of properties change at the same rate. For example, vacant land may not have appreciated at the same rate as single family dwellings. Or older homes that have not been updated may not have appreciated at the same rate as newer homes. Waterfront properties and mobile homes are examples of types of properties that may not have appreciated or maybe depreciated at the same rate as other types of properties. Sales are the basis for the new values, so it is important that we verify the physical data for those sales and verify the transaction to know that each one used in our analysis is a qualified sale, meaning it is a sale that represents market value. We plan on using sales going back 1 year(s). If there are certain types of properties that require us to go back further for sales, we will do that.
- Taxpayers should also be aware that, if their assessment increases for example by 20% percent that does not mean their taxes are increasing 20%. If the town, school & county budgets stay the same and the town's total value increases 20% as a result of the revaluation, the tax rate would come down proportionally. The wild card there is the current year's budgets. If any or all of them go up, then the tax rate will not drop by the percentage that the total value increases. It is important to note that, in that scenario,

the tax rate would have risen without the revaluation being done this year. That being said, as I have indicated previously, not all types of properties have seen the same market change over the past five years, so it is entirely possible that some property values may go down and others may go up more than the town's total value change. Statically speaking we have found that generally a third go up, third go down and a 3<sup>rd</sup> stay relatively the same.

- Once we analyze the sales and develop preliminary values, there will be a field review of the entire town, which is just a drive-by parcel by parcel of every property to verify location, site characteristics, quality and so forth to be consistent as possible. Just be aware, that during this time, you may get calls stating "they just drove by my house and didn't even get out etc." Just know the cycled inspection process has been done over the prior period and there was an attempt to measure and list every property during that time.
- Once that process is complete, we will send out the preliminary notices. That notice gives the property owners a chance to call and setup an appointment, if needed, to sit down with the assessor, see sales, ask questions etc. We plan to start the field review in June and the preliminary notices and hearings in JULY.
- Once the hearings are over and values have been finalized the town will be provided with the USPAP (Uniform Standards of Professional Appraisal Practice) report that describes the entire process, what we did, sales used etc. Our contract has a completion date of October 1, 2020, this means you may need to file for an extension on your MS-1. You should know that Avitar will value the utilities and will be done in accordance with House Bill 700. You should also know that Avitar will do the data entry of all of the value-related changes associated with the revaluation in the Town's assessing software.
- Solar will now be assessed for 2020. The taxpayers should be aware that this is coming. If the town has adopted the exemption, they should be notified and aware that they need file an application in order to get the exemption.
- The DRA has a role in monitoring parts of the process and Adam is here to discuss that monitoring work.