

**NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
MUNICIPAL AND PROPERTY DIVISION  
EQUALIZATION BUREAU**

**EXCLUSION CODES**

It is the intent of the Department of Revenue Administration to use only arm's length transactions that sold for market value in the conduct of the ratio study. See the definitions for "arm's length" and "market value" on the back of the 2016 Equalization Instructions.

As in prior years, assessing officials are requested to provide comments regarding various aspects of a sale. The DRA is providing assessing officials with exclusion codes to explain the conditions of the excluded sales. Put exclusion codes in the space provided titled "Exclusion Code." If there is more than one reason for excluding a sale, include additional exclusion codes in the same area. **DO NOT use exclusion (or any other) codes to describe a change in assessed values from the prior EQ year.** Assessing officials may choose to make comments in the town notes section instead of using codes.

It is the DRA's intention to utilize as many sales as possible. Unfortunately, this is not always possible. The sales and corresponding codes in the exclusion code table are typically not considered to be arm's length transactions. Therefore, they are not used in the ratio study. The sale may be used, however, if information is provided to the DRA regarding the terms and marketing of a sale to show that the sale meets the criteria of an arm's length transaction and it can be established that the sales price equated to market value as defined on the back of this page.

The table lists the most common reasons for removing the majority of sales not included in the ratio study, but does not include every reason for excluding a sale. If a sale is a non-arm's length transaction and no code is provided, ***do not try to find the code that is the closest match for removing the sale!*** Please provide explicit and complete remarks in the town notes section for the sale. For any code with a "yes" in the "explanation required" column, further explanation is required in addition to the exclusion code.

<b>EXCLUSION CODE LIST</b>		
<b>EXCLUSION CODE</b>	<b>EXCLUSION REASON <i>USE THE MOST APPROPRIATE CODE</i></b>	<b>MUNICIPAL EXPLANATION REQUIRED</b>
<b>Mismatch of Rights Sold/Assessed</b>		
<b>11</b>	Property Sold Not Separately Assessed	
<b>12</b>	Subdivided Post Assessment /Pre Sale	
<b>13</b>	Improvements +/- (post sale/pre assessment)	
<b>14</b>	Improvements +/- (post assessment/pre sale)	
<b>15</b>	Improvements +/- incomplete at assessment date -	
<b>16</b>	L/O Assessment - L/B Sale	
<b>17</b>	L/B Assessment - L/O Sale	
<b>19</b>	Multi-Town Property	
<b>20</b>	Multi-Parcel Conveyance (MPC) – Properties cannot (likely not) be sold separately	<b>YES</b>
<b>21</b>	Multi-Parcel Conveyance (MPC) - Properties can be sold separately	<b>YES</b>
<b>Determination of Price/Consideration</b>		
<b>22</b>	Indeterminate Price/Consideration	
<b>23</b>	No Stamp Required Per Deed	<b>YES</b>
<b>Open Market Exposure</b>		
<b>24</b>	Sale Between Owners of Abutting Property	
<b>25</b>	Insufficient Market Exposure	<b>YES</b>
<b>Ownership Interests Sold</b>		
<b>26</b>	Mineral Rights	
<b>27</b>	Less than 100% Interest Transferred	
<b>28</b>	Life Estate/Deferred Possession 1 Yr +	
<b>29</b>	Plottage or Assemblage Impact	
<b>30</b>	Timeshare	
<b>31</b>	Easements	
<b>32</b>	Timber Rights	

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<b>Special Grantor/Grantee Relationships</b>		
33	Landlord/Tenant as Grantor/Grantee	
34	Public Utility as Grantor/Grantee	
35	Government Agency as Grantor/Grantee	
36	Religious/Charitable/Educational as Grantor/Grantee	
37	Financial Entity as Grantor/Grantee	
38	Family/Relatives/Affiliates as Grantor/Grantee	
39	Divorcing Parties as Grantor/Grantee	
40	Business Affiliates as Grantor/Grantee	
41	Government Related Entity	
<b>Sales of Convenience</b>		
43	Short Sales	<b>YES</b>
45	Boundary Adjustment	
47	Other Sale of Convenience	<b>YES</b>
<b>Forced Sales</b>		
48	By Sheriff or Other Court Official	
49	Deed in Lieu of Foreclosure	
50	Tax Sale	
51	Foreclosure	
52	Other Forced Sale	<b>YES</b>
<b>Questionable Title</b>		
54	Deed to Quiet Title	<b>YES</b>
56	Other Doubtful Title	<b>YES</b>
<b>Other Circumstances</b>		
57	Substantial Value in Trade	<b>YES</b>
58	Installment Sale	<b>YES</b>
60	Unidentifiable in Assessor's Records	
66	Complex Commercial Sale	<b>YES</b>
67	Unknown Value of Personal/Non-Taxable Property	<b>YES</b>
69	Assumed Lease with Unknown Terms	<b>YES</b>
70	Substantial Seller/Buyer Cost Shifting	<b>YES</b>
77	Special Assessment Encumbrance	<b>YES</b>
80	Subsidized or Assisted Housing	<b>YES</b>
81	Estate Sale with Fiduciary Covenants	
82	Deed Date Too Old or Incomplete	<b>YES</b>
83	Cemetery Lots	
<b>Special DRA Consideration</b>		
87	Over-representation of Locale (Entity, grantor) in Sample	
88	Over-representation of Property Type in Sample	<b>YES</b>
89	Resale in EQ Period	<b>YES</b>
90	RSA 79-A Current Use	
97	RSA 79-B Conservation Easement	
98	Sales Related Assessment Change	<b>FOR DRA USE ONLY</b>
99	Unclassified Exclusion	<b>YES</b>

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The table lists the most common reasons for removing the majority of sales not included in the ratio study, but does not include every reason for excluding a sale. If a sale is a non-arm's length transaction and no code is provided, ***do not try to find the code that is the closest match for removing the sale!*** Please provide explicit and complete remarks in the town notes section for the sale. For any code with a "yes" in the "explanation required" column, further explanation is required in addition to the exclusion code.

<b>EXCLUSION CODE WITH EXAMPLES LIST</b>			
<b>EXCL. CODE</b>	<b>EXCLUSION REASON</b> <i>USE THE MOST APPROPRIATE CODE</i>	<b>EXAMPLES/SPECIAL INSTRUCTIONS OR DOCUMENTS REQUIRED</b>	<b>MUNICIPAL EXPLANATION REQUIRED</b>
<b>Mismatch of Rights Sold/Assessed</b>			
<b>11</b>	Property Sold Not Separately Assessed	<ul style="list-style-type: none"> <li>•</li> </ul>	
<b>12</b>	Subdivided Post Assessment /Pre Sale	<ul style="list-style-type: none"> <li>• Property subdivided between current year assessment and sale.</li> </ul>	
<b>13</b>	Improvements +/- (post sale/pre assessment)	<ul style="list-style-type: none"> <li>• Improvements made after the sale but before April 1<sup>st</sup> of the current year.</li> </ul>	
<b>14</b>	Improvements +/- (post assessment/pre sale)	<ul style="list-style-type: none"> <li>• Improvements made after April 1<sup>st</sup> of the current year but before the sale.</li> </ul>	
<b>15</b>	Improvements +/- incomplete at assessment date -	<ul style="list-style-type: none"> <li>• Generally, new construction or other types of improvements made by the buyer after the sale and before the current assessment.</li> <li>• May use prior year's assessment for these sales.</li> </ul>	
<b>16</b>	L/O Assessment - L/B Sale	<ul style="list-style-type: none"> <li>• A land only assessment and a home/bldg or other improvements built prior to April 1<sup>st</sup> of current year.</li> <li>• Property code should indicate what was sold.</li> </ul>	
<b>17</b>	L/B Assessment - L/O Sale	<ul style="list-style-type: none"> <li>• Current year assessment for land and building. Property subdivided or building removed prior to sale.</li> <li>• Property code should indicate what was sold.</li> </ul>	
<b>19</b>	Multi-Town Property	<ul style="list-style-type: none"> <li>• Sales of property which are located in more than one town or state.</li> </ul>	

<b>EXCLUSION CODE WITH EXAMPLES LIST</b>			
<b>EXCL. CODE</b>	<b>EXCLUSION REASON</b> <i>USE THE MOST APPROPRIATE CODE</i>	<b>EXAMPLES/SPECIAL INSTRUCTIONS OR DOCUMENTS REQUIRED</b>	<b>MUNICIPAL EXPLANATION REQUIRED</b>
20	Multi-Parcel Conveyance (MPC) – Properties cannot (likely not) be sold separately	Properties that cannot or are likely not to be sold separately. <ul style="list-style-type: none"> <li>• House is on one parcel, well &amp; driveway on other</li> <li>• House on one parcel, other parcel backland no access.</li> <li>• Towns should indicate if the properties did not sell for market value. Was there a discount for purchasing multiple parcels?</li> <li>• <i>These sales may be used in the ratio study if the sale price was for market value.</i></li> </ul>	<b>Yes</b>
21	Multi-Parcel Conveyance (MPC) - Properties can be sold separately	<ul style="list-style-type: none"> <li>• Multi-parcel sales in which the individual parcels can or are likely to be sold separately in the future.</li> <li>• Towns should indicate if the properties did not sell for market value. Was there a discount for purchasing multiple parcels?</li> </ul>	<b>Yes</b>
<b>Determination of Price/Consideration</b>			
22	Indeterminate Price/Consideration	<ul style="list-style-type: none"> <li>• Sales where the sale price cannot be determined.</li> <li>• This code is rarely used.</li> </ul>	
23	No Stamp Required Per Deed	<ul style="list-style-type: none"> <li>• Sales where no stamp is affixed to the deed.</li> <li>• Generally, these sales are pre-excluded.</li> </ul>	
<b>Open Market Exposure</b>			
24	Sale Between Owners of Abutting Property		
25	Insufficient Market Exposure	<ul style="list-style-type: none"> <li>• Parties knew each other prior to sale</li> <li>• Towns must provide an explanation and may provide comparable sales</li> </ul>	<b>Yes</b>
<b>Ownership Interests Sold</b>			
26	Mineral Rights		
27	Less than 100% Interest Transferred	<ul style="list-style-type: none"> <li>• Purchased ½ interest only.</li> <li>• Purchased 30% interest.</li> </ul>	
28	Life Estate/Deferred Possession 1 Yr +		
29	Plottage or Assemblage Impact	<ul style="list-style-type: none"> <li>• Sales where the combined value of multiple sites purchased is greater or less than the sum of the values of the individual sites.</li> </ul>	
30	Timeshare	<ul style="list-style-type: none"> <li>• Timeshares</li> <li>• Quartershares</li> </ul>	
31	Easements		
32	Timber Rights		
<b>Special Grantor/Grantee Relationships</b>			
33	Landlord/Tenant as Grantor/Grantee		
34	Public Utility as Grantor/Grantee	Typically sales to or from utilities are for easements or contain more in the sale price than just the value of the real estate	
35	Government Agency as Grantor/Grantee	<ul style="list-style-type: none"> <li>• Federal Government Agencies: FDIC sale; Housing &amp; Urban Development (HUD); Veteran’s Administration;</li> <li>• State Agencies NH Dept. of Transportation; Other NH state agencies;</li> <li>• Towns Tax liens; School districts; or Conservation commissions</li> </ul>	
36	Religious/Charitable/Educational as Grantor/Grantee	<ul style="list-style-type: none"> <li>• Schools.</li> <li>• Churches.</li> <li>• Charitable organizations.</li> <li>• Other tax exempt organizations</li> </ul>	

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37	Financial Entity as Grantor/Grantee	<ul style="list-style-type: none"> <li>• Banks</li> <li>• Mortgage companies</li> <li>• Other financial companies</li> </ul>	
38	Family/Relatives/Affiliates as Grantor/Grantee	<ul style="list-style-type: none"> <li>• Sales between immediate or extended family members;</li> <li>• Sales where the grantor &amp; grantee are same;</li> <li>• One of buyers &amp; one of sellers are the same person.</li> </ul>	
39	Divorcing Parties as Grantor/Grantee		
40	Business Affiliates as Grantor/Grantee	<ul style="list-style-type: none"> <li>• Inter corporate sales.</li> <li>• Intra corporate sales</li> </ul>	
41	Government Related Entity	<ul style="list-style-type: none"> <li>• New Hampshire Housing</li> <li>• Federal National Mortgage Ins.</li> </ul>	
<b>Sales of Convenience</b>			
43	Short Sales	<ul style="list-style-type: none"> <li>• Sales requiring 3<sup>rd</sup> party approval</li> <li>• Need MLS Sheet or MLS docket #, real estate agent name and number</li> </ul>	<b>Yes</b>
45	Boundary Adjustment	<ul style="list-style-type: none"> <li>• Lot line adjustments</li> </ul>	
47	Other Sale of Convenience	<ul style="list-style-type: none"> <li>• Relocation company sales</li> </ul>	<b>Yes</b>
<b>Forced Sales</b>			
48	By Sheriff or Other Court Official	<ul style="list-style-type: none"> <li>• Sheriff's deed.</li> <li>• Commissioner's deed.</li> <li>• Indentured deed.</li> </ul>	
49	Deed in Lieu of Foreclosure	Must be indicated in title or content of deed.	
50	Tax Sale		
51	Foreclosure	<ul style="list-style-type: none"> <li>• Must be a foreclosure deed.</li> <li>• Not to be used for sales after foreclosures.</li> </ul>	
52	Other Forced Sale		<b>Yes</b>
<b>Questionable Title</b>			
54	Deed to Quiet Title	<ul style="list-style-type: none"> <li>• Clear or correct a property title</li> </ul>	
56	Other Doubtful Title	<ul style="list-style-type: none"> <li>• Sales with outstanding title issues.</li> </ul>	
<b>Other Circumstances</b>			
57	Substantial Value in Trade		<b>Yes</b>
58	Installment Sale	<ul style="list-style-type: none"> <li>• Sales which are not recorded and title is not transferred until all of the payments are made.</li> </ul>	<b>Yes</b>
60	Unidentifiable in Assessor's Records	<ul style="list-style-type: none"> <li>• Sales that were incorrectly assigned to the town by the NH Mosaic system or;</li> <li>• Sales where the identifying information is not enough to match it to a known property in a town.</li> </ul>	
66	Complex Commercial Sale	<ul style="list-style-type: none"> <li>• Sales of commercial/industrial properties in which the sale price listed might include the value of inventory, equipment, business name, etc. in addition to the real estate.</li> </ul>	<b>Yes</b>
67	Unknown Value of Personal/Non-Taxable Property	<ul style="list-style-type: none"> <li>• Sales where it is known that significant personal or non-taxable property was included in the sale but the amount of that property cannot be determined.</li> <li>• If the value of personal property is known, the sale price can be adjusted: 10% for residential properties and 25% for commercial/industrial properties</li> </ul>	<b>Yes</b>
69	Assumed Lease with Unknown Terms	<ul style="list-style-type: none"> <li>• Sales are encumbered with long term leases where the contracted rent is known to be substantially higher or lower than market rent.</li> </ul>	<b>Yes</b>
70	Substantial Seller/Buyer Cost Shifting	<ul style="list-style-type: none"> <li>• Sales where the sale price is altered significantly because the buyer pays off back taxes, liens, etc.</li> <li>• This does not include concessions, real estate commissions, etc.</li> </ul>	<b>Yes</b>

**EXCLUSION CODE WITH EXAMPLES LIST**

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77	Special Assessment Encumbrance	<ul style="list-style-type: none"> <li>Sales where the property is encumbered by a lien or other obligation that has a substantial impact on the sale price.</li> <li>This code is rarely used.</li> </ul>	<b>Yes</b>
80	Subsidized or Assisted Housing	<ul style="list-style-type: none"> <li>Sales where the construction, ownership and/or occupancy is subsidized or assisted.</li> </ul>	
81	Estate Sale with Fiduciary Covenants	<ul style="list-style-type: none"> <li>Fiduciary must be indicated in the title or fiduciary covenants within the body of the deed.</li> <li>Does not include all estate sales.</li> </ul>	
82	Deed Date Too Old or Incomplete	<ul style="list-style-type: none"> <li>Sales where the date of the deed (sale) is not within a timely range of the date of recording of the deed.</li> </ul>	<b>Yes</b>
83	Cemetery Lots		
<b>Special DRA Consideration</b>			
87	Over-representation of Locale (Entity, grantor) in Sample	<ul style="list-style-type: none"> <li>Sales to or by the same grantor will be excluded from the ratio study if they represent more than 10% of the sales used in the ratio study. The sale nearest April 1<sup>st</sup> will be included.</li> <li>In small municipalities, where only one or two sales represent 10% of the sales used, the sales will be included.</li> </ul>	
88	Over-representation of Property Type in Sample	<ul style="list-style-type: none"> <li>Sales of a property type may be excluded if the # of sales is over-representative of that property type in the general population.</li> <li>Ex. Too many mobile home or condo sales. The ratio for these sales is significantly altering the ratio for the entire population.</li> </ul>	<b>Yes</b>
89	Resale in EQ Period	<ul style="list-style-type: none"> <li>Resale of the same property within the equalization time period.</li> </ul>	<b>Yes</b>
90	RSA 79-A Current Use	<ul style="list-style-type: none"> <li>Sales of property assessed in whole or in part pursuant to RSA 79-A.</li> <li>Sales may be used if a town has fewer than 20 valid sales.</li> <li>Indicate ad valorem assessed value and current use value in spaces provided.</li> </ul>	
97	RSA 79-B Conservation Easement	<ul style="list-style-type: none"> <li>Sales of property assessed in whole or in part pursuant to RSA 79-B.</li> <li>Sales may be used if a town has fewer than 20 valid sales.</li> <li>Indicate ad valorem assessed value and conservation restriction assessed value in spaces provided.</li> </ul>	
98	Sales Related Assessment Change	<b>FOR DRA USE ONLY</b>	
99	Unclassified Exclusion	<ul style="list-style-type: none"> <li>All other sales which are deemed to be non-arm's length or did not sell for fair market value but for which no exclusion code is provided above.</li> </ul>	<b>Yes</b>