

**THE STATE OF NEW HAMPSHIRE**

**DEPARTMENT OF REVENUE**

**ADMINISTRATION**



**2022**

**EQUALIZATION SURVEY  
INCLUDING UTILITIES AND RAILROAD**

# 2022 EQUALIZATION SURVEY

## “INCLUDING UTILITIES AND RAILROADS”

May 1, 2023

This report presents the results of the 2022 Equalization Survey “including utilities and railroads”. It was conducted by the New Hampshire Department of Revenue Administration pursuant to RSA 21-J:3 XIII (Revised 2019) which states:

*“XIII. Equalize annually by May 1 the valuation of the property as assessed in the several towns, cities, and unincorporated places in the state including the value of property exempt pursuant to RSA 72:37, RSA 72:37-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70, and RSA 72:85, property which is subject to tax relief under RSA 79-E:4, and property which is subject to tax relief under RSA 79-E:4-a, by adding to or deducting from the aggregate valuation of the property in towns, cities, and unincorporated places such sums as will bring such valuations to the true and market value of the property, and by making such adjustments in the value of other property from which the towns, cities, and unincorporated places receive taxes or payments in lieu of taxes, including renewable generation facility property subject to a payment in lieu of taxes agreement under RSA 72:74 and combined heat and power agricultural facility property subject to a payment in lieu of taxes agreement under RSA 72:74-a, as may be equitable and just, so that any public taxes that may be apportioned among them shall be equal and just. In carrying out the duty to equalize the valuation of property, the commissioner shall follow the procedures set forth in RSA 21-J:9-a.”*

To accomplish the foregoing, assessment ratio studies were conducted to determine how the average level of assessment for all cities and towns compares with the statutory 100% ratio so that taxes can be apportioned equitably.

The Department of Revenue Administration has completed its process of calculating the total equalized valuation of all the municipalities and unincorporated places throughout the state. The ratios reported for each municipality in this survey were derived by comparing the sale prices of sales of land, land and buildings and manufactured housing covering the period of October 1, 2021, to September 30, 2022, against the actual assessments levied by the municipalities. Sales information was verified by the grantee whenever possible by means of Form PA-34, Inventory of Property Transfer. Our goal is to use only arm’s-length sales that transferred for market value in this analysis. Every effort has been made to exclude non-arm's length transactions including but not limited to: sales involving courts and government agencies, sales between relatives or corporate affiliates, sales settling an estate, forced sales, etc.

Every municipality was notified of its 2022 sales assessment ratio. These ratios were used in conjunction with other Department of Revenue adjustments to determine each municipality’s total equalized value for purposes of RSA 21-J:3 XIII.

The following is an explanation of the information contained in this report.

**MODIFIED ASSESSED VALUATION:** The modified assessed valuation for each municipality as reported to the Department of Revenue Administration on the municipality's 2022 MS-1, Summary Inventory of Valuation.

**"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
- Woodheating 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)
- Electric Energy Storage Systems: RSA 72:85
- Renewable Generation Facilities & Electric Energy Systems: RSA 72:87

= **"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 plus any unretained 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 2022 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, and discretionary easement values are made. This adjustment is calculated by dividing the total net local assessed valuation for land in these two categories by the 2021 equalization ratio to obtain the equalized value of current use, conservation restriction assessments, and discretionary easements. If a municipality has had a full revaluation, cyclical revaluation or statistical revaluation as defined by Rev 601.24, 601.25 and 601.16, 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: The total modified local assessed value of public utilities, as defined by RSA 83-F is equalized by the 2022 equalization ratio. The difference between the modified local assessed value of utilities and the equalized value of utilities equals the DRA adjustment for utilities. The value of public utilities is not added into the "Total Equalized Value Not Including Utility Value or Equalized Railroad Taxes."

**DRA INVENTORY ADJUSTMENT:** The sum of the adjustments for the above three categories.

**EQUALIZED ASSESSED VALUATION:** The sum of the "modified local assessed valuation" plus the DRA 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, renewable energy facilities (if applicable) 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 2023 tax year;
- Calculate state reimbursements; and,
- Apportion cooperative school taxes for the 2024 tax year.

**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 2022 equalization ratio as determined by a ratio study conducted by the Department of Revenue Administration's equalization staff.

**FULL VALUE TAX RATE:** The 2022 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.

**% 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.

#### **APPEAL OF TOTAL EQUALIZED VALUATION**

Municipalities were sent their 2022 Notification of Total Equalized Valuations on **April 26, 2023**.

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.