

NH DEPARTMENT OF REVENUE ADMINISTRATION
Municipal and Property Division
Equalization Bureau

SALE EXCLUSION CODES
With Examples

It is the intent of the Department of Revenue Administration (DRA) to use only arm's length transactions that sold for market value in the conduct of the ratio study.

Assessing officials are required 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 equalization year. Assessing officials may choose to make comments in the town notes section to further explain the details of a sale.

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 in Section 1 of the NH Equalization Manual.

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, use exclusion code 99, unclassified exclusion, and 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.

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Exclusion Code	Reason for Exclusion (Use Most Appropriate Code)	Examples, Special Instructions or Documents Required	Municipal Explanation Required
Mismatch of Rights Sold / Assessed			
11	Property Sold Not Separately Assessed		
12	Subdivided Post Assessment /Pre Sale	Property subdivided between current year assessment and sale.	
13	Improvements +/- (post sale/pre-assessment)	Improvements made after the sale but before April 1 st of the current year.	
14	Improvements +/- (post assessment / pre-sale)	Improvements made after April 1 st of the current year but before the sale.	
15	Improvements +/- incomplete at assessment date	<ul style="list-style-type: none"> • Generally, new construction or other types of improvements made by the buyer after the sale and before the current assessment. • May use prior year's assessment for these sales. 	
16	L/O Assessment - L/B Sale	<ul style="list-style-type: none"> • A land only assessment and a home/building or other improvements built prior to April 1st of current year. • Property code should indicate what was sold. 	
17	L/B Assessment - L/O Sale	<ul style="list-style-type: none"> • Current year assessment for land and building. Property subdivided or building removed prior to sale. • Property code should indicate what was sold. 	
19	Multi-Town Property	Sales of property which are located in more than one town or state.	
20	Multi-Parcel Conveyance (MPC) – Properties cannot (likely not) be sold separately	<p>Properties that cannot or are likely not to be sold separately.</p> <ul style="list-style-type: none"> • House is on one parcel, well & driveway on another. • House on one parcel, other parcel backland with no access. • Towns should indicate if the properties did not sell for market value. <ul style="list-style-type: none"> ○ Was there a discount for purchasing multiple parcels? <p>These sales may be used in the ratio study if the sale price was for market value.</p>	Yes

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21	Multi-Parcel Conveyance (MPC) - Properties can be sold separately	<ul style="list-style-type: none"> • Multi-parcel sales in which the individual parcels can or are likely to be sold separately in the future. • Towns should indicate if the properties did not sell for market value. <ul style="list-style-type: none"> ○ Was there a discount for purchasing multiple parcels? 	Yes
Determination of Price / Consideration			
22	Indeterminate Price/Consideration	<ul style="list-style-type: none"> • Sales where the sale price cannot be determined. • This code is rarely used. 	
23	No Stamp Required Per Deed	<ul style="list-style-type: none"> • Sales where no stamp is affixed to the deed. • Sales are generally pre-excluded. 	
Open Market Exposure			
24	Sale Between Owners of Abutting Property		
25	Insufficient Market Exposure	<ul style="list-style-type: none"> • Parties knew each other prior to sale • Towns must provide an explanation and may provide comparable sales 	Yes
Ownership Interests Sold			
26	Mineral Rights		
27	Less than 100% Interest		
28	Life Estate/Deferred Possession 1		
29	Plottage or Assemblage Impact	Sales where the combined value of multiple sites purchased is greater or less than the sum of the values of the individual sites.	
30	Timeshare		
31	Easements		
32	Timber Rights		
Special Grantor / Grantee Relationship			
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	

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35	Government Agency as Grantor/Grantee	<ul style="list-style-type: none"> • Federal Government Agencies <ul style="list-style-type: none"> ○ FDIC sale ○ Housing & Urban Development (HUD) ○ Veteran’s Administration • State Agencies <ul style="list-style-type: none"> ○ NH Dept. of Transportation ○ Other NH state agencies • Towns <ul style="list-style-type: none"> ○ Tax liens ○ School districts ○ Conservation commissions 	
36	Religious/Charitable/Educational as Grantor Grantee	<ul style="list-style-type: none"> • Schools • Churches • Charitable organizations • Other tax exempt organizations 	
39	Divorcing Parties as		
40	Business Affiliates as Grantor/Grantee	<ul style="list-style-type: none"> • Inter corporate sales • Intra corporate sales 	
41	Government Related Entity	<ul style="list-style-type: none"> • New Hampshire Housing • Federal National Mortgage Ins 	
Sales of Convenience			
43	Short Sales	<ul style="list-style-type: none"> • Sales requiring 3rd party approval. • Need MLS Sheet or MLS docket #, real estate agent name and number 	Yes
45	Boundary Adjustment	Lot line adjustments	
47	Other Sale of Convenience	Relocation company sales	Yes
Forced Sales			
48	By Sheriff or Other Court Official	<ul style="list-style-type: none"> • Sheriff’s deed • Commissioner’s deed • Indentured deed 	
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"> • Must be a foreclosure deed. • Not to be used for sales after foreclosures 	
52	Other Forced Sale		Yes
Questionable Title			
54	Deed to Quiet Title	Clear or correct a property title	
56	Other Doubtful Title	Sales with outstanding title issues	

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Exclusion Code	Reason for Exclusion (Use Most Appropriate Code)	Examples, Special Instructions or Documents Required	Municipal Explanation Required
Other Circumstances			
57	Substantial Value in Trade		Yes
58	Installment Sale	Sales which are not recorded, and title is not transferred until all of the payments are made.	Yes
60	Unidentifiable in Assessor's Records	<ul style="list-style-type: none"> • Sales that were incorrectly assigned to the town by the NH Mosaic system, or • Sales where the identifying information is not enough to match it to a known property in a town. 	Yes
66	Complex Commercial Sale	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	Yes
67	Unknown Value of Personal/Non-Taxable Property	<ul style="list-style-type: none"> • 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. • If the value of personal property is known, the sale price can be adjusted: 10% for residential properties and 25% for commercial/industrial properties 	Yes
69	Assumed Lease with Unknown Terms	Sales are encumbered with long term leases where the contracted rent is known to be substantially higher or lower than market rent.	Yes
70	Substantial Seller/Buyer Cost Shifting	<ul style="list-style-type: none"> • Sales where the sale price is altered significantly because the buyer pays off back taxes, liens, etc. • This does not include concessions, real estate commissions, etc. 	Yes
77	Special Assessment Encumbrance	<ul style="list-style-type: none"> • Sales where the property is encumbered by a lien or other obligation that has a substantial impact on the sale price. • This code is rarely used. 	Yes
80	Subsidized or Assisted Housing	Sales where the construction, ownership and/or occupancy is subsidized or assisted.	
81	Estate Sale with Fiduciary Covenants	<ul style="list-style-type: none"> • Fiduciary must be indicated in the title or fiduciary covenants within the body of the deed. • Does not include all estate sales. 	

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Exclusion Code	Reason for Exclusion (Use Most Appropriate Code)	Examples, Special Instructions or Documents Required	Municipal Explanation Required
82	Deed Date Too Old or Incomplete	Sales where the date of the deed (sale) is not within a timely range of the date of recording of the deed.	Yes
83	Cemetery Lots		
Special DRA Consideration			
87	Over-representation of Locale (Entity, grantor) in Sample	<ul style="list-style-type: none"> • 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 1st will be included. • In small municipalities, where only one or two sales represent 10% of the sales used, the sales will be included. 	
88	Over-representation of Property Type in Sample	<ul style="list-style-type: none"> • Sales of a property type may be excluded if the # of sales are over-representative of that property type in the general population. <ul style="list-style-type: none"> ○ Ex. Too many mobile home or condo sales. <p>The ratio for these sales is significantly altering the ratio for the entire population.</p>	Yes
89	Resale in EQ Period	Resale of the same property within the equalization time period.	Yes
90	RSA 79-A Current Use	<ul style="list-style-type: none"> • Sales of property assessed in whole or in part pursuant to RSA 79-A. • Sales may be used if a town has fewer than 20 valid sales. • Indicate ad valorem assessed value and current use value in spaces provided. 	Yes
97	RSA 79-B Conservation Easement	<ul style="list-style-type: none"> • Sales of property assessed in whole or in part pursuant to RSA 79-A. • Sales may be used if a town has fewer than 20 valid sales. • Indicate ad valorem assessed value and current use value in spaces provided. 	
98	Sales Related Assessment Change	FOR DRA USE ONLY	
99	Unclassified Exclusion	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.	