



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO MAYOR AND THE CITY COUNCIL

From: Kathryn H. Temchack, Director of Real Estate Assessments

Date: December 3, 2021

Subject: Authorization of Annual Appraisal at Market Value

Recommendation

Accept this report and set for public hearings in February and March, with an April vote, the proposed resolution authorizing the Assessing Department to proceed with valuing all real estate at market value as of April 1, 2022.

Background

RSA 75:8-b requires municipalities with populations of over 10,000 who desire to appraise the municipality's real estate at market value, to receive authorization by a majority vote from the governing body. Prior to the governing body's vote, 2 public hearings must be held. The statute also requires the municipality to provide notification of changes to the assessed value prior to the issuance of the final tax bill. The notification may be an individual notice to the property owners, by public notice in a newspaper of general circulation, or by any other means deemed appropriate by the governing body. The City Council has voted to authorize the annual valuation of assessments since 2005. The Assessing Office has been assessing properties annually at market value since 2004.

Discussion

Valuing properties at market value ensures equitable and fair assessments to all taxpayers so that all are paying only their fair share of the tax burden. Market values are constantly changing, and do not rise or fall at the same level for each of the city's neighborhood (The Heights vs. Penacook vs. the South End), or type of property (residential vs. commercial vs. condominiums), the appropriate adjustments need to be made each year to the property assessments to maintain them at market value. The incremental changes in assessments each, (either up or down depending on the market activity), prevents large spikes such as in 2004 when assessments increased on average over 40% in one year.

If the general or overall assessment level for the community is not at very close to 100%, all appeals will need to be adjusted by the general assessment level. If the assessment of a property is exactly at market value but overall level of assessment is 90%, the City would be required to abate the 10% difference to the property owner solely because of the lower than 100% ratio of 90%. For example, if the market value and assessment was \$8,000,000 we would be required to refund the property owner \$20,096 on the \$800,000 overage just because of the lower than 100% ratio. This would have an impact on (increasing) the overlay.