



Statutory Requirements

- **RSA 75:8 Revised Inventory.** –

Annually, and in accordance with state assessing guidelines, the assessors and selectmen shall adjust assessments to reflect changes so that all assessments are reasonably proportional within that municipality. All adjusted assessments shall be included in the inventory of that municipality and shall be sworn to in accordance with RSA 75:7.

- **RSA 75:8-a Five-Year Valuation.** –

The assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value at least as often as every fifth year.

Statutory Requirements - Continued



RSA 75:1 How Appraised. – Market Value.

.....“Market value means the property's full and true value as the same would be appraised in payment of a just debt due from a solvent debtor. The selectmen shall receive and consider all evidence that may be submitted to them relative to the value of property, the value of which cannot be determined by personal examination.”



Mass Appraisal & Market Value

- **Mass Appraisal** - is the process of valuing a group of properties as of a given date, using standard methods and allowing for statistical testing.
- **Market Value** - can be defined as: the most probable sale price of a property in terms of money in a competitive and open market, assuming the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale, and assuming the transaction is not affected by undue pressures.



Mass Appraisal (Revaluation) Purpose Statement

The purpose of a Mass Reappraisal effort is to provide a vehicle for the assurance of current, accurate and equitable property assessments. If property valuations are accurate across the entire city, inefficiencies and inequities in property taxation are greatly reduced.



Revaluation

Revaluation - means the act of re-estimating the worth of real estate of the entire municipality using standard appraisal methods, calibration of the CAMA tables and models, establishment of a new base year with a USPAP compliant report, and providing for statistical testing whether by either a:

- Full Revaluation
- Full Statistical Revaluation
- Cyclical Revaluation or;
- Partial Update



Full Revaluation

Full Revaluation - means the revaluation of all taxable and nontaxable properties in a municipality, with a complete measure and listing of all taxable and nontaxable properties to occur at the same time of the establishment of the new base year, to arrive at full and true value as of April 1. The term includes “full reappraisal” and “full reassessment.” Rev 601.24



Full Statistical Revaluation

Full Statistical Revaluation - means the process of a revaluation of all taxable and nontaxable properties in a municipality, using existing property data, to arrive at full and true value as of April 1. The term includes “statistical update” and “statistical reassessment.” Rev 601.25



Cyclical Revaluation

Cyclical Revaluation - means the revaluation of all taxable and non-taxable properties in a Municipality, combining a complete measure and listing of all taxable and nontaxable properties over time and updating an establishment of the new base year, to arrive at full and true value as of April 1.



Partial Update

Partial Update - means the process of analyzing market sales throughout the entire municipality to identify and implement needed value changes to the affected areas, or classes of property, to bring those properties to the Municipality's general level of assessment utilizing the existing base tax year and providing an addendum to the existing USPAP compliant report.



Approaches to Value

Appraisal practice dictates three basic methods to determine market value:

- Sales Comparison Approach
- Cost Approach
- Income Approach



Appraisal Stratification

Stratification – Assessors stratify sales into groups and subgroups in order to more precisely identify the factors influencing market value.

- Strata Group – Single Family Homes, Condominiums, Manufactured Housing, Commercial, Industrial, Utilities.
- Strata Sub Groups - Neighborhood, Water Influence, Building Style, Building Grade, Building Age, Selling Price, Sale Date.



Appraisal Neighborhoods

- The International Association of Assessing Officers (IAAO) defines a neighborhood as "(1) The environment of a subject property that has a direct and immediate effect on value. (2) A geographic area of properties sharing important location characteristics defined for purposes of market analysis or modeling (typically with fewer than several thousand properties)." Both of these definitions revolve around the notion of effect of location on value.
- As part of the revaluation process sales are stratified into separate neighborhoods or market areas. These neighborhoods were created by analyzing sales of real property. These sales were then delineated according to differing market factors such as school district, distance from downtown, distance from water, distance from amenities, heterogeneous or homogeneous aspects of the neighborhood.



Ratio Studies

Ratio Studies - Are used to analyze existing and new assessments by (1) assessment level and (2) assessment uniformity.

- Assessment level measures the degree to which the assessments approximate current market value.
- Assessment uniformity measures the degree to which properties in the same class or subclass are assessed at the same percentage of current market value.



Assessment Level

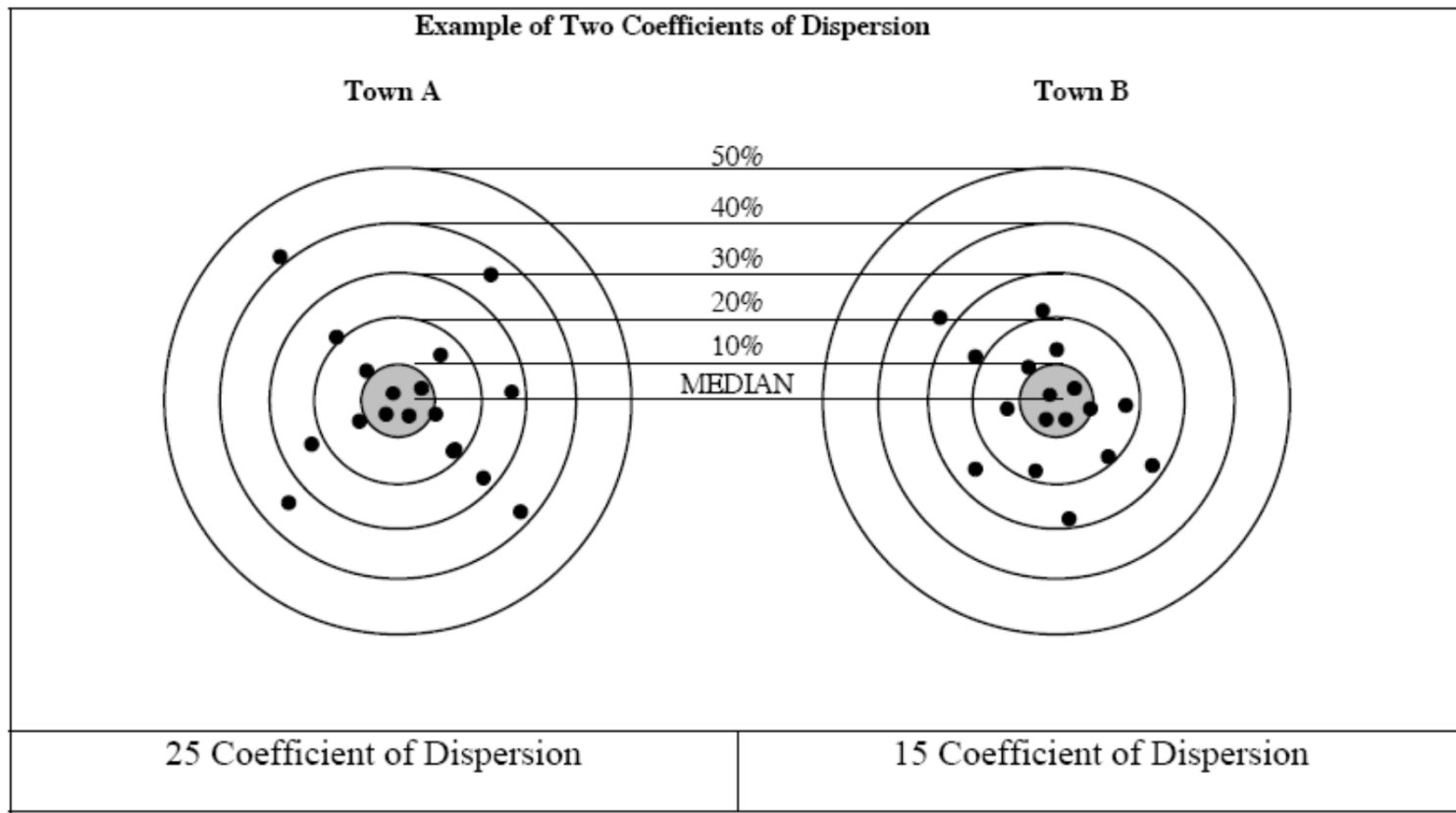
Assessment Level is determined by calculating the median assessment/sales ratio (ASR) for the class or subclass being analyzed. An ASR of 1.00 represents market value. An ASR below 1.00 indicates the property is assessed for less than its market value. An ASR above 1.00 indicates the property is assessed for more than its market value.



Assessment Uniformity

Assessment Uniformity - is determined by calculating the coefficient of dispersion (COD) for the class or subclass being analyzed. The COD measures how sales prices for properties within the sample vary from the median ASR.

Coefficient of Dispersion – Continued





Department of Revenue Standards

- Assessment Level 90% - 110%
- Strata's should be within 5% of overall median ratio.
- Overall coefficient of dispersion (COD) should be no greater than 20%.