

TO: Sutton Property Owners

FROM: Selectmen's Office

THANK YOU FOR YOUR PATIENCE. Setting the Town's Tax Rate and sending 2nd issue tax bills was delayed this year due to the statistical update that was performed in 2006. The long awaited 2006 tax rate and its comparison to the 2005 tax rate follows:

	2005 Tax Rate	2006 Tax Rate	Change from 2005
Town Rate	7.05	4.99	-29%
Local School Rate	8.49	7.00	-18%
State School Rate	2.64	2.14	-19%
County Rate	2.56	2.00	-22%
Total Tax Rate	\$20.74	\$16.13	-22%

As a result of the statistical update, total property valuation went from \$205,901,384 in 2005 to \$285,593,134 in 2006 (≈ 1.39 increase in overall value).

In response to those who are interested in how their property was affected by the update in comparison with the rest of the Town, our assessors have provided the summary below:

Building Values:

Construction quality and structure condition are factors which influence building values. The overall building increases cited are based on average quality and condition.

Residential buildings increased 35% on average
Commercial buildings increased 23% on average

Land Values:

Lot values are based on a number of factors including location (Neighborhood) and whether the lot is improved or vacant. Adjustments are also made for such influences as topography, access and views. Here is a breakdown by neighborhood:

Neighborhood/Description	Vacant	Improved
1. Throughout Town (increase)	78%	139%
2. Blaisdell Lake Water Front (increase)	78%	100%
3. Blaisdell Lake Influence (increase)	100%	100%
4. Kezar Lake Water Front (increase)	78%	100%
5. Kezar Lake Water Front Influence (increase)	100%	100%

6. Rowell Hill (increase)	66%	66%
7. King Ridge (decrease)	9%	25%

About our update --

Building values were updated based on current material/labor costs and land was updated based on both improved and vacant sales. Only valid market sales that took place after April 01, 2004 were visited. Prior to this update, Sutton's sales-to-assessment ratio was 73.7% which had fallen from 100% in 2003. This ratio is a clear indication that the market had changed significantly since 2003, and our property values had fallen out of line.

Below are some questions and answers that might help you understand the process and your new assessment.

Why perform an update?

The State of New Hampshire requires towns and cities to keep their assessments within 10% of current market values and update these values at least every 5 years. Since the real estate market has continued to increase over the past few years and the Town's assessments have remained the same, this has caused the assessments to be out of line with market values. The purpose of the update was to re-establish market values and ensure that each taxpayer is paying no more or less than their fair share of taxes.

Who determines the market values of properties?

Market value is the cash price a property would bring in a competitive and open market. Market value is determined by Sutton property owners, their activity in the real estate market and the general economy. The updated values of properties in Sutton are based on valid market transactions that took place between 2004 and 2006.

What is "market value"?

Market value is the amount a typical, well-informed purchaser would be willing to pay for a property on the open market. The following factors are taken into consideration in order to determine a valid market transaction: the seller and buyer are not known parties, the buyer/seller are not under pressure, and the property has been listed on the open market.

Why did land values increase so much?

Since the last full revaluation in 2003, real estate values have increased significantly. Over that same time period, building material costs have increased at a much slower rate. Since building costs have not increased as much as the total values, the bulk of the total increase is attributable to land.

Do all properties change at the same rate?

No. There are different characteristics between individual properties as well as differences in specific neighborhoods. In one area sales may indicate a substantial increase in value, while in another area there may be less change in property values.

Examples of property characteristics include, but are not limited to; style, size, age of improvements, condition, construction quality, location, utilities and/or zoning.

How did my assessment change if I haven't done anything to my property?

General economic conditions such as inflation, changes in interest rates, and employment levels influence the value of real estate. As property values change in the marketplace, those changes are reflected in our assessments.

Can I appeal my new value?

If any property owner believes that their property assessment is in excess of its fair market value, they may file an Application for Abatement (Tax Appeal) with the Assessor's Office (the Board of Selectmen). The application must be filed after the 2nd issue tax bill and on, or before, March 1, 2007. Filing an abatement does not stay the collection of taxes! Therefore, you should pay your tax bill as assessed. If an abatement is granted, the Town will issue a refund at 6% interest. If the request for an abatement is denied by the Town, the taxpayer may further appeal to the Board of Tax and Land Appeals or the Superior Court.

Reasons for filing an Abatement.

An appeal of your assessment is not simply a complaint about higher taxes. It is an attempt to prove that your assessment is either inaccurate or unfair. The taxpayer has the burden to show that the assessment is incorrect or disproportionate and must state their opinion of market value of the property as of April 1, 2006.

An abatement application should address physical issues and market data. A review of your property record card is a good idea to be sure all the information is correct. Be sure to verify your lot size; bldg size; bathrooms; bedrooms; basement and attic areas.

Also, comparing your property to properties that sold within the analysis period is a good way to estimate if your property is assessed at market value. Comparisons should be made on characteristics such as styles, size, age, improvements, condition, construction quality, location, utilities and/or zoning.

Examples of documentation that would support your appeal include: a recent appraisal, an opinion of value, a purchase and sales or listing agreement from a local realtor. Keep in mind that the market has increased over the last few years,

so appraisals and opinions of value from 2004 and 2005 would be outdated and lower than a value for the same property in 2006.

Procedures for Filing an Application for Abatement:

Your must file your application for abatement by March 1, 2007 and the application must be signed by the applicant.

Be sure to give specific reasons as to why you feel an abatement is due. List all properties that you own in the Town, regardless of whether an abatement is being sought for all of the properties. List comparable properties to support your abatement appeal. Estimate the market value of your property as of April 1, 2006. Be sure to include your contact information in case the assessors need to contact you.

**Incomplete forms will not be processed, but will be returned as incomplete. If you fail to fully complete the application, you could also lose your right to appeal to the state level. Be sure to include all documentation that supports your appeal.

After filing, the Assessing office must review your application and provide you with a decision by July 1, 2007.

If the selectmen neglect or refuse to abate, you may file with the Board of Tax and Land Appeals or superior court by September 1, 2007. Tax Appeal (Applications for Abatement) can be obtained at the BTLA Website at: <http://www.nh.gov/btla/forms.html>