

6 March 2022

James P. Gerry, Director  
Department of Revenue Administration  
Municipal and Property Division  
PO Box 487  
Concord, NH 03302

Re: Lyme New Hampshire 2021 Revaluation

Dear Director Gerry,

Property tax payers of Lyme need your attention. The Municipal and Property website states that your division oversees the Assessment Review bureau and has the responsibility of monitoring revaluations.

Lyme completed a revaluation for the 2021 property tax year. The Select Board of Lyme contracted with Todd Haywood, RES, CNHA of Hill Municipal Services, to maintain and update the Town's property valuation, excluding the valuation of utilities in town. We believe several major factors warrant a review of this year's revaluation:

1. This year's revaluation was not completed in a timely manner. The final revaluation results were presented, and the MS-1 was signed, in mid-October. This delay precluded adequate review before setting the tax rate and issuing property tax bills.
2. We also raise substantial questions about the choice of recently-sold properties that were included (or excluded) during the revaluation process.
3. Finally, we take issue with the outcome of this revaluation. The changes in valuation between similar properties do not seem to have any rational explanation.

We agree with your quote in the DRA press release of November 30, 2021: [NH Department of Revenue Administration Explains Town Tax Rates, especially where you say, "...the driving force behind how much any property taxpayer will pay is the relationship between their AV and every other property owner's AV in the city or town in which they reside."](#)

**Problems with selection of recent sales:**

During the period stipulated in the assessor's letter to the Select Board (attached), Grafton County Registry of Deeds shows that 172 property transactions occurred, with 115 requiring a transfer tax. The letter to the Select Board states that 61 sales were used for the reassessment analysis, which means that 54 sales were excluded.

We have a number of concerns about the revaluation process. We have raised these concerns with the Town of Lyme Select Board and with Mr. Haywood and have not received any substantive answers:

- 1) The revaluation process excluded 54 properties. We can see that 20 of those were not arms-length sales. That leaves 34 properties without documentation of their disqualification.
- 2) The 61 properties that were used included 3 that are known not to be "qualified arms-length transactions."
- 3) All nine properties that sold for >\$1m were assessed for less than market value; most were also appraised for less than market value.
- 4) Such a small sample size creates unstable estimates of the various factors that create a measure of "fair market value". Further work must examine how these factors influence the Computer Assisted Mass Appraisal. We have no information about whether this was done.

As one example, 155 River Road was included in the "qualified sales". This property sale was pre-arranged and not on the open market. It certainly should have been considered "unqualified" as an outlier. While "sales chasing" is not permitted, there appears to be no other explanation. The appraised land value of its 2.15 acres increased from \$327,800 to a whopping \$1,621,300. This is completely out of character with the rest of the neighboring river front properties.

## Problems with revaluation results:

It is reasonable to expect some properties will appreciate more than others. Historically, sales in Lyme had similar ratios of appraisal to market value across all price ranges and locations.

The vast differences in tax bill increases for 2021, as a result of this revaluation, do not appear to be a fair and proportionate distribution of the property tax burden. In fact, we suspect that the wide differences in tax bills may be due to the lack of review because the entire process was late.

There are approximately 1000 taxed properties in Lyme, fully 10% had tax increases of more than 20% (Appendix IV). This revaluation appears to have disproportionately increased the appraisals of properties valued below \$500,000 in favor of properties valued above \$500,000 and even more so, those properties valued in excess of \$1,000,000. While very few properties may be appraised over market value, it is the disproportionate increase in the number of undervalued properties that inflates the tax rate and causes excessive tax bill increases and thus an unfair distribution of the tax burden.

Property owners were notified of their new property assessment and given an opportunity to review it if they felt it was in error. The abatement process is sufficiently intimidating that only a few individuals with high new assessments took advantage of that opportunity. The Town does not provide any data to compare how the new assessment related to the other new assessments.

To improve transparency for himself and his neighbors, a property owner created a Tax Fairness webpage that allows people to compare their tax bill to their neighbors.  
<https://taxfairness.github.io/Taxes2021/>

The abatement request form asks the taxpayer to consider and provide evidence that their assessment exceeds "market value". This fails to recognize that properties that are undervalued are just as important in the determination of the fair and equitable distribution of the tax burden as properties that are overvalued. While abatements may correct a few overvaluations, no one will file for an abatement because their property is undervalued.

We attach 4 appendices to demonstrate how the revaluation process has produced inappropriate values for properties in Lyme. The first three were created from the Tax Fairness website above. The fourth is a scatter plot created from data we retrieved from the Town website.

Appendix I: Tax Increases - 85 Dartmouth College Highway, a condominium complex

Appendix II: Tax Increases - Wilmott Way, a quiet road of modest homes

Appendix III: Tax Increases - Breck Hill Road, one of the most scenic roads in town

Appendix IV: Scatter plot showing the lowest value properties had significantly larger tax increases.

We hope that you understand our concerns with the processes and outcomes of the 2021 revaluation of Lyme. We have laid out a substantial case about our concerns of these processes and outcomes. Please use Mr. Brown, [richb.lyme@gmail.com](mailto:richb.lyme@gmail.com), as our point of contact.

Thank you for your consideration, and we look forward to your reply.

The undersigned taxpayers of Lyme, NH

Rich Brown

Hebe Quinton

Michael Whitman

Bradford Keith

cc:

Lindsey M. Stepp, Commissioner

Carollynn J. Lear, Assistant Commissioner

Todd Haywood, Assessor

Select Board, Lyme NH

## Appendix I

21 condominium properties with similar construction and finish, same vintage.

15 decreased taxes

10 of the 12 highest valued properties (over \$300K) decreased taxes

5 properties included in “recent sales”, 4 of the 5 sold for more than the new assessed value

Address	Tax in 2021	Increase/Decrease	Percent
85 DARTMOUTH COLLEGE HY #1010	\$5,235	\$298	6.0%
85 DARTMOUTH COLLEGE HY #1020	\$5,235	\$298	6.0%
85 DARTMOUTH COLLEGE HY #1030	\$6,056	-\$57	-0.9%
85 DARTMOUTH COLLEGE HY #1040	\$9,076	\$383	4.4%
85 DARTMOUTH COLLEGE HY #1050	\$5,889	\$198	3.5%
85 DARTMOUTH COLLEGE HY #2010	\$10,860	-\$238	-2.1%
85 DARTMOUTH COLLEGE HY #2020	\$9,331	-\$149	-1.6%
85 DARTMOUTH COLLEGE HY #2030	\$4,927	-\$103	-2.1%
85 DARTMOUTH COLLEGE HY #2040	\$9,584	-\$133	-1.4%
85 DARTMOUTH COLLEGE HY #3010	\$9,117	-\$150	-1.6%
85 DARTMOUTH COLLEGE HY #4010	\$10,138	-\$128	-1.3%
85 DARTMOUTH COLLEGE HY #4030	\$5,124	-\$130	-2.5%
85 DARTMOUTH COLLEGE HY #4040	\$6,303	\$1,041	19.8%
85 DARTMOUTH COLLEGE HY #5010	\$4,438	-\$128	-2.8%
85 DARTMOUTH COLLEGE HY #5020	\$7,993	-\$170	-2.1%
85 DARTMOUTH COLLEGE HY #6010	\$11,404	-\$38	-0.3%
85 DARTMOUTH COLLEGE HY #7010	\$8,414	-\$1,092	-11.5%
85 DARTMOUTH COLLEGE HY #8010	\$13,079	-\$163	-1.2%
85 DARTMOUTH COLLEGE HY #9010	\$10,287	-\$206	-2.0%
85 DARTMOUTH COLLEGE HY #9020	\$8,191	-\$161	-1.9%
85 DARTMOUTH COLLEGE HY #9030	\$9,271	\$44	0.5%

## Appendix II

A modest residential dead end dirt road. 8 properties with residences  
The 4 lowest valued properties increased taxes the most  
#12 and #34 are trailers valued around \$100K

Address	Tax in 2021	Increase/Decrease	Percent
5 WILMOTT WY	\$12,908	\$1,149	9.8%
6 WILMOTT WY	\$7,377	-\$357	-4.6%
7 WILMOTT WY	\$4,561	\$1,018	28.7%
12 WILMOTT WY	\$3,369	\$746	28.5%
20 WILMOTT WY	\$8,898	\$911	11.4%
21 WILMOTT WY	\$4,144	\$785	23.4%
25 WILMOTT WY	\$10,143	-\$294	-2.8%
34 WILMOTT WY	\$3,213	\$681	26.9%
30 WILMOTT WY (LAND ONLY)	\$271	\$32	13.4%

## Appendix III

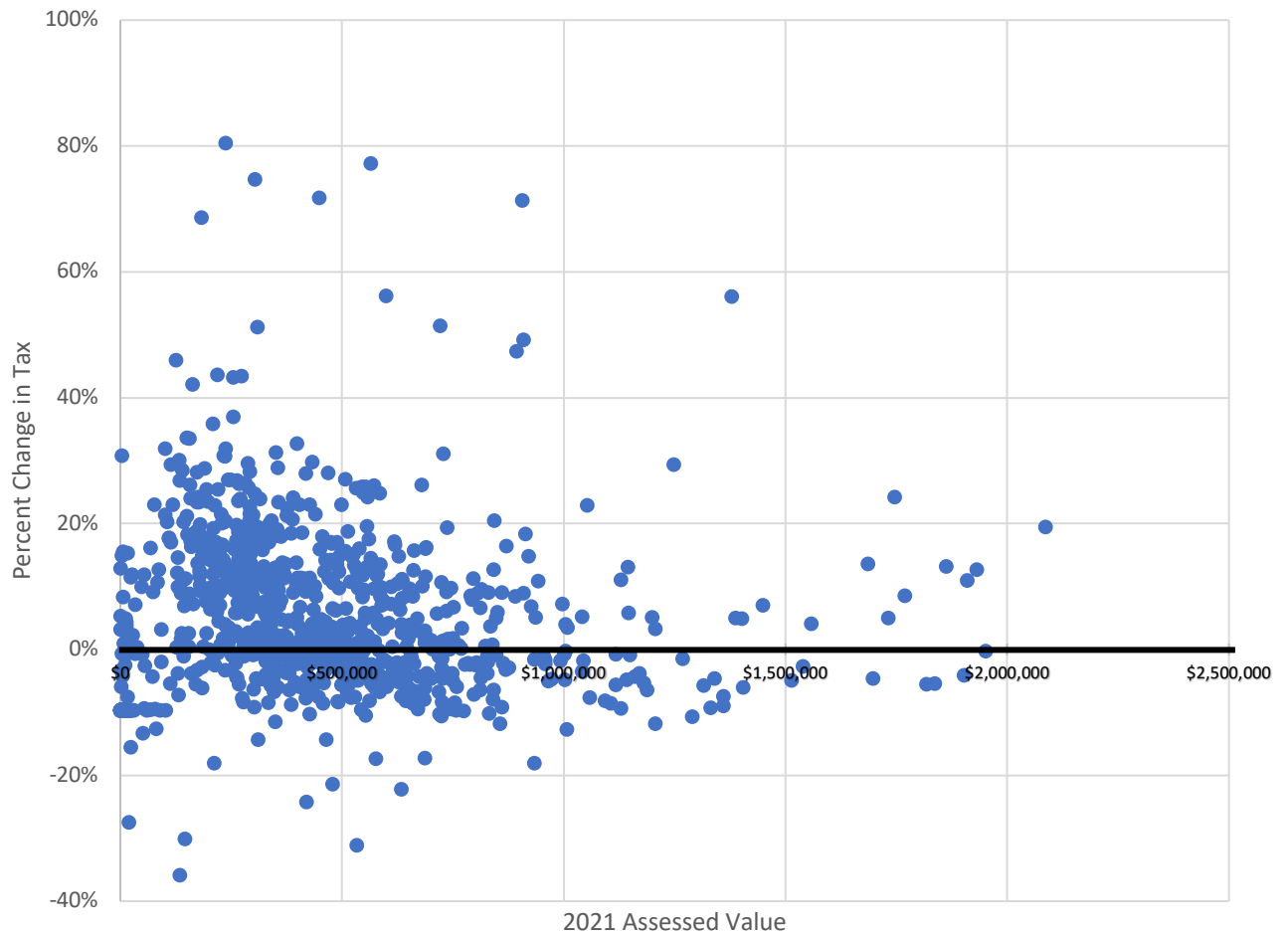
A charming rural dirt road with views and historic homes.  
22 properties, 15 homes – 10 homes decreased tax burden  
2021 tax bill of \$222,369, an overall decrease of \$7905.

Address	Tax in 2021	Increase/Decrease	Percent
2 BRECK HILL RD	\$12,347	\$343	2.9%
24 BRECK HILL RD	\$8,696	-\$296	-3.3%
25 BRECK HILL RD	\$14,446	-\$915	-6.0%
30 BRECK HILL RD	\$15,491	-\$1,382	-8.2%
34 BRECK HILL RD	\$11,806	-\$1,065	-8.3%
40 BRECK HILL RD	\$245	-\$26	-9.7%
43 BRECK HILL RD	\$8,207	\$652	8.6%
52 BRECK HILL RD	\$23,877	-\$439	-1.8%
59 BRECK HILL RD	\$17,958	-\$1,887	-9.5%
60 BRECK HILL RD	\$794	-\$5	-0.7%
64 BRECK HILL RD	\$50	-\$5	-9.7%
68 BRECK HILL RD	\$18,365	\$125	0.7%
80 BRECK HILL RD	\$12,651	\$1,662	15.1%
81 BRECK HILL RD	\$36	-\$3	-9.7%
89 BRECK HILL RD	\$5,803	\$69	1.2%
92 BRECK HILL RD	\$24	-\$2	-9.7%
99 BRECK HILL RD	\$18,223	-\$1,953	-9.7%
100 BRECK HILL RD	\$269	-\$29	-9.7%
117 BRECK HILL RD	\$103	-\$11	-9.7%
122 BRECK HILL RD	\$18,993	-\$460	-2.4%
125 BRECK HILL RD	\$20,608	-\$2,762	-11.8%
133 BRECK HILL RD	\$13,301	-\$394	-2.9%

#### Appendix IV

There are about 500 properties valued between \$50k and \$500k, 84 of them increased taxes by more than 20%

### Percent Change in Taxes vs 2021 Assessment



October 21, 2021

*Summary of Re-assessment results*

*Town of Lyme  
Board of Selectmen  
Lyme NH*

*Dear Members of the Board,*

*I wanted to present you with this summary of results relating to the recent re-assessment project in Lyme now that the preliminary hearings have been completed and the values reconciled.*

*The results are as follows, overall values increased \$59,728,000 (15.3%),*

*The period of time used to establish the new values according to the contract was April 1, 2019, through October 1, 2021. During this period there were 61 sales used as benchmarks to establish the new values, there were 6 vacant land sales and 55 improved sales.*

*The results are a mean assessment to sale ratio of 98%, a median ratio of 98%, a coefficient of dispersion (COD) of 6.227% and a price related differential (PRD) of 1.01.*

*Additionally, I examined sales that occurred until the end of September 2021. During the current equalization period of October 1, 2020, through September 30, 2021, there were 22 sales, 4 were vacant land and 18 were improved properties.*

*During this period of time the ratio study results are a mean assessment to sale ratio of 95%, a median ratio of 96% a COD of 7.05% and a PRD of 1.02.*

*In all cases all the relevant statistics are well within the standards set forth by the New Hampshire Assessing Standards Board (ASB).*

*I have attached charts that support the values established during this project. The ratio studies are using the sales that occurred from April 1, 2019, through September 30, 2021. I will provide you with the detailed USPAP report for this project within 30 days of the final submission of the MS-1 as required.*