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The Details - What's this all about?

We are concerned about the fairness of Lyme's property tax revaluation in 2021:

- Lyme is spending just about 4% more this year. You might expect your tax bill to have gone up by a like amount.

- But... many properties went up by 20% or 30% - even when their neighbor’s taxes were unchanged

- Properties valued between $100,000 and $250,000 (137) increased 12.78%

- Properties valued between $1,000,000 and $1,500,000 (41) decreased 0.57%

How does Lyme determine my property tax bill??

Lyme divides its budget amount (for schools, roads, and other town programs) across the assessed value of all the properties in town. This assessed value determines the amount of property tax paid: higher-assessed properties pay a larger share.

In 2022, the Town budget of $9.8 million was divided by the total assessed valuation of the town - $407 million - to give a Tax Rate of $24.07 per thousand. Every property’s tax bill is then computed by multiplying its assessed value (in thousands of dollars) by $24.07 to get the 2021 tax bill.

What’s this “revaluation process”?

NH requires towns to re-value the properties at least every five years. The objective is to ensure that each property reflects its “fair market value” compared to the other properties.

There are just over 1,000 properties in Lyme. 78 are tax-exempt because they are owned by federal, state, or local governments or non-profit organizations.

These properties are too numerous to value in a single year, so the Select Board has contracted with a private firm to adjust the appraised value of one-fourth of the properties every year (along with any new construction), and to use the fifth year to “catch up” and ensure that the previous four years’ valuations match up to current “market value” of new sales.

How does Revaluation change my property tax?

If the only factor impacting the property value was inflation, then the increase in town-wide value would be shared proportionately across all properties, and the Tax Rate would drop and everyone’s taxes would remain the same. Your property is worth more, but the town charges a lower rate, so you pay the same. And if the Town needed to raise more money (increased its budget), the Tax Rate would increase, and our taxes would increase by that amount.

In 2021, both happened. Although town valuation went up by about 15%, the town is spending about 4% more money. If all assessments increased by the same amount, the average property tax bill would increase by about 4%.

Why does this matter?

In 2021 there was a troubling variation in changes to individual property’s taxes. Many properties increased much more than the average, with no clear explanation. This has the effect of shifting the property tax burden onto those properties.

- It obviously matters to the individual property owner. When their taxes increase far more than the average, the Town owes them an explanation for that increase. If they file for an abatement, they may get the tax reduced.

- The increased appraisal carries over for the next five years, meaning that taxpayer will continue to pay a higher amount until the next revaluation.

- We observe a pattern that modestly-priced homes saw the largest increases, while higher-value homes saw smaller increases, or even decreases. This appears to be an unfair shift of the tax burden onto the lower price homes, arguably the least able to afford the increase.

- In this fifth-year revaluation process, the Assessor excluded a number of recent sales from consideration. This raises questions about the accuracy of the revaluation.

What can be done?

As noted above, if you feel your tax increased unfairly, you can file for an abatement. This is a formal request to the Select Board to review and possibly reduce your assessment. The deadline for an abatement (rebate) of the tax you paid in last year is March 1, 2022.

There is a meeting with the Select Board on Thursday February 10th to ask about the variation in tax increases (and decreases) since they don't seem to follow any logic. You are invited to attend.