The Details - What's this all about?

There is concern about the impact of Lyme’s revaluation on the fairness of Lyme's property tax for 2021:

- Lyme voters approved increased spending that is about 4% more than last year.

- But... many property tax bills went up by 20% or 30%

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

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

How does Lyme determine a property tax bill??

The NH Department of Revenue divides the “tax effort” – the total raised for municipal, school (local and state), and county budgets - by the total of the assessed value of all properties. This determines the Tax Rate. The assessed value of each property (per thousand dollars) is then multiplied by the Tax Rate to determine that property’s tax bill.

In 2021, two things happened. The town valuation went up by about 15% (because all properties were revalued) and the town voted to spend about 4% more money. If all property assessments increased by the same percentage, the average property tax bill would increase by about 4%.

What is this “Revaluation” process?

There are 1,059 properties in Lyme. 78 are tax-exempt because they are owned by federal, state, or local governments or non-profit organizations. The remaining 981 properties share the property tax burden according to their assessed value.

The State of NH requires the Select Board to maintain an accurate inventory of the property in town. There are far too many properties for the members of the Select Board to be able to value on their own, so they contract with a professional assessor to perform this task on their behalf.

The assessor reviews and updates one quarter of the properties in town plus any new development each year. Every fifth year, the value assigned to each property is reviewed and updated to keep its appraised value close to its “fair market value”. This updating of assigned values is called the Revaluation. Setting new values is based on standard assessing formulas, actual visits to the property, and on recent sales which indicate the actual “market value” of the property.

If all properties are appraised at the same relative value to market, the property tax burden will be shared equitably across all taxpayers.

However, if some properties are valued significantly below their market value while others are valued at or above their market value, the tax burden will not be shared equitably.

In 2021 there was a troubling variation in changes to individual property 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 is March 1.

The Select Board meets on Thursday February 10th at 9:00 am. Questions will be addressed about the variation in tax increases (and decreases) since they don't seem to follow any logic. Please feel free to attend in person or tune in via zoom.