



## Introduction

The Town of Hudson, NH has contracted with Vision Government Solutions to conduct a scheduled revaluation for 2022. This update is part of our longer-term strategy to maintain assessed values as close to current market value as possible. On Tuesday, August 2nd, impact notices containing preliminary 2022 assessments were mailed out to property owners. Instructions are included on the notice for anyone interested in scheduling an informal hearing to review their new assessment. It cannot be stressed enough that **the current tax rate should NOT be applied to the new assessed values**, as the tax rate will change significantly (lower) later this fall into November, largely influenced by the valuation changes.

## Impact Notices

When you receive your impact notice, please read the instructions carefully for scheduling an informal hearing with Vision Government Solutions. Topics of discussion can include: 1) explanations of the valuation and information on the property record card; and 2) market data used to determine indications of value. Vision representatives are unable to discuss resultant taxes, as their expertise is valuation and the new tax rate will not be set by the State of NH until November (estimated).

## Statistical Update

The type of revaluation being utilized is a Statistical Update. This means we closely analyze properties that sell in a given time frame, then apply those changes to similar properties. We utilize this method largely for cost considerations. The traditional full revaluation, which involves “boots on the ground,” door-to-door data collection, is both cost-prohibitive and time consuming. Occasionally, this approach is warranted, as it can yield an accurate snap shot of the community’s real property. As Hudson’s property data is generally very accurate, the Statistical Update remains the best revaluation option, keeping our properties aligned with market value. The vetting of arms-length sales for all classes of property is important in obtaining equitable assessments, with further analysis being conducted for commercial property - such as the gathering of capitalization rates, income information, and rental and vacancy rates.

The revaluation of all property essentially hits the reset button, returning all classes and styles of property back to 100% of statistical market value. The further sale prices move away from assessed values, the less equity properties experience, which among other things can lead to more appeals and related costs for all taxpayers.

# Revaluation and Taxation

An increase in assessed value does not necessarily mean an increase in your tax bill. **It's worth repeating that the Town's property tax rate will be readjusted downward** as we experience an increase in property values. This year, Hudson conducted a revaluation of all properties in the Town. The periodic revaluation of properties is necessary to ensure that all property taxpayers are treated equitably. The revaluation process is also necessary to maintain compliance with NH Department of Revenue Administration (NHDRA) requirements regarding the ratio of the market value of a property compared with the assessed value the City uses to levy property taxes. This ratio, also referred to as the equalization rate, is required to be in the range of 90% to 110%, with a goal of being as close as possible to 100%. The Town was required to do the reassessment in 2022 as it had been 5 years since the prior one in 2017, and by constitutional as well as statutory law, the Town is required by the Department of Revenue Administration to conduct a revaluation of property.

When a revaluation of property occurs, the value of residential, commercial, and industrial properties rise or fall (appreciate/depreciate) at different rates in the marketplace. In this most recent 2022 revaluation process, the rate of increase in value for residential properties was found to be much higher than the rate of increase in value of commercial and industrial properties, which is a significant change from recent trends. Since at least 2017, residential properties (single family homes and apartment buildings with 3 or fewer units) have consistently accounted for 76% of the property value in the Town, while commercial/industrial/utility properties have accounted for 24% of property values, with only minor fluctuations from year to year. In this latest 2022 revaluation, residential properties were determined to account for 79% of property value in the Town, while commercial/industrial/utility properties accounted for 21% of property value, based on market value activity.

The result of these changes in market values for property, especially for residential properties, is that the residential sector of the Town represents a larger share of the overall tax base and, therefore, the residential sector will absorb more of the tax burden in the tax bills.

		<b>Total Assessed Values 2022</b>
<b>Residential</b>	<b>Comm/Ind/Utilities</b>	
\$3,778,774,113	\$1,020,791,888	\$4,799,566,001
79%	21%	
		<b>Total Assessed Values 2021</b>
\$2,476,305,378	\$778,628,742	\$3,254,934,120
76%	24%	
		<b>Total Assessed Values 2020</b>
\$2,447,617,801	\$768,655,128	\$3,216,272,929
76%	24%	
		<b>Total Assessed Values 2019</b>
\$2,423,847,765	\$742,335,802	\$3,166,183,567
77%	23%	

		<b>Total Assessed Values 2018</b>
\$2,396,810,151	\$747,403,492	\$3,144,213,643
76%	24%	
		<b>Total Assessed Values 2017</b>
\$2,364,071,891	\$739,620,331	\$3,103,692,222
76%	24%	

The tax rate and assessed values during a reassessment commonly work in opposition of each other, like a scale. This is due to the fact that the annual budget is a fixed number, and only the exact amount of taxes needed to cover the budget will be collected. The scale analogy works on a general level, a reassessment is a completely separate process from the Town’s budgetary process; revenue and expenditure levels influence the amount by which the tax rate changes. By contrast, a year in which assessed values drop overall, the tax rate will climb in opposition to value reductions in order to meet the total budget amount.

### **Impact Notice Reminder**

Just to reiterate, when you receive your impact notice, please read the instructions carefully if scheduling an informal hearing with Vision Government Solutions. Topics of discussion can include: 1) explanations of the valuation and information on the property record card; and 2) market data used to determine indications of value. Vision representatives are unable to discuss resultant taxes, as their expertise is valuation and the new tax rate will not be set by the State of NH until November (estimated). If questions or property issues remain beyond the informal hearing phase of the revaluation, the Hudson Assessors Office can continue to assist property owners with individual concerns. The Hudson, NH Assessing Department and Vision Government Solutions thank you for your patience and cooperation with the 2022 revaluation process.

### **Hudson NH Statistical valuation update results**

Letters were sent out on August 2nd to taxpayers indicating their new preliminary assessed value for Fiscal Year 2022. This letter informs taxpayers to call to schedule an informal hearing, as needed, to discuss their valuation. The letter requests that people call by August 12th to make an appointment.

**To ensure that everyone has an opportunity to have a hearing we are extending this date to August 16<sup>th</sup>.**

**Phone number to call for informal hearing; 1-888-844-4300**

You may also review your new assessment data on the Vision Government Solutions website: [www.vgsi.com](http://www.vgsi.com) (Taxpayer information, online database, New Hampshire). This website will allow

inquiry access to the Assessor's database information, including value summary, building data, sales search, and general valuation information.