



Introduction

The Town of Salem, NH has contracted with Vision Government Solutions to conduct a scheduled revaluation for 2021. This update is part of our longer-term strategy to maintain assessed values as close to current market value as possible. On Wednesday, August 24th impact notices containing 2021 assessments will be 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 this fall, 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 until late October.

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 Salem'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. If your property changes value at or close to the median value change, about 35%, there will likely be little to no change in the amount of taxes you are billed for this fall. This is due to the fact that when values rise, the tax rate falls in order for each property to contribute its portioned amount of the budget based upon total assessed value. Property that appreciates greater than the median amount may see a tax increase, while properties that increase below the median may see a decrease in property tax this fall.

It's worth repeating that the Town's property tax rate will be readjusted downward as we experience an increase in property values. 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 until late October. If questions or property issues remain beyond the informal hearing phase of the revaluation, the Salem Assessors Office can continue to assist property owners with individual concerns. The Salem, NH Assessor's Office and Vision Government Solutions thanks you for your patience and cooperation with the 2021 revaluation process.