



Town of Wakefield, New Hampshire
2 High Street
Sanbornville NH 03872

An Open letter to the Townspeople of Wakefield

Dear Ladies and Gentlemen,

I have been asked by the Board of Selectmen to formulate a letter explaining with a little more detail the topics of the new assessment, the tax rate, percentage of sales assessment ratio and how they relate to budgeting for 2024.

First it should be noted that Wakefield is one a few towns of its size that have a board of Assessors elected by the Wakefield voters. This is a 3-member board with regularly scheduled meetings here at the town hall (please check Website for contact info and meeting schedule as some data might have changed)

This board, along with a contracted third-party consulting firm, reassess the town's value every 5 years (some towns do less or even every year however Wakefield does every 5 years.) This is a mandated action under New Hampshire State law calling for reassessments. The consulting firm will measure and view 20% of town properties over a 5-year period with the last 3 of the 5 years and the reflection of sales of properties being used to finalize the new assessment.

This new assessment once it has been checked by the consulting firm for tax exemptions, veteran credits etc. is then signed by the Board of Assessors and sent to NH Department of Revenue for review. Once the DRA approves the new assessment it is then sent back to the town for the Selectmen to set a new tax rate. The process of setting the rate happens between October and November every year, however assessments as I mentioned above, in Wakefield are once every five years. The Board of Selectmen not only have nothing to do with creating the new assessment, they are the only board with the authority to remove money from the unassigned fund (sometimes referred to as a "rainy day" fund) and place directly towards buying down the tax rate to lower taxes.

Here is a history of Wakefield's tax rate taken from the Department of Revenue website.

2019 tax rate \$12.47 set on 10/28/2019
2020 tax rate \$12.38 (down .09 cents) set on 10/28/2020
2021 tax rate \$12.34 (down .04 cents) set on 11/2/2023
2022 tax rate \$12.25 (down .09 cents) set 11/10/2022
2023 tax rate \$6.85 (down \$5.40) set on 11/8/2023

Since 2019 the Board of Selectmen have earmarked money from the unassigned account to lower the tax rate for a total of \$5.62. The most recent reduction of course was done during the reassessment year, meaning values went up and the tax rate came down, with the goal of trying to minimize any tax increase to taxpayers.

A real case example of this would be an average home that was valued at \$272,000 last year would have been paying \$3,332.00 in taxes (with last year's \$12.25 rate) If the new assessment of this home is now \$473,000 the new tax payment will be \$3,240.05 (with the new tax rate of \$6.85) which makes a reduction of \$91.95 per year. This of course is not always the case and there are examples of increases with other homes, some more significant than others with the waterfronts marking the largest upticks.

In the same example above, if the tax rate had stayed at \$12.25 and with the home owners' new value their taxes would have been \$5,794.25 and increase of \$2,462.25 from last year.

It is understandable there might be some "sticker shock" when a property owner sees for the first time their new assessment, however if taken to the next step and using case above multiplying the new assessment of 473 (new value but dropping the last 3 digits as we multiply on 1,000s) and multiplied by \$6.85 you get \$3,240.

Next, I would like to address the sales assessed ratio. The following is from Wakefield's interim assessing department:

An annual ratio study is conducted each year by the New Hampshire Department of Revenue Administration (NH DRA) using sales from a period of October 1 through September 30 of the following year. The information derived from the ratio studies is calculated to reflect the difference between assessed value and the verified arm's length sales that occur within the town.

The revaluation values are calculated to be reflective of the market as of April 1 in the year the revaluation is completed.

Once the ratio study has been completed the NH DRA they then place the ratio into a percentage and currently Wakefield's sits at 100%, meaning tax payers are paying 100% of the value they are assessed for. State Law mandates that a town has to be within 90%-110% of assessed value and yes, we were in the low 60% range last year, however that was due to values increasing because of heavy home sales and there being so much time between evaluations, sales outpaced our ratio.

Some have said we have never been at 100% ratio before, in fact we have and in 2012 we were at 109.30 % and our average for the last 16 years has been 94.5%

In closing I would like to address the proposed 2024 budget created by the selectmen, department heads and is being finalized by the budget committee. I have tried to spell out in this letter that the new assessments have been in the works for the last 5 years and data collected by the assessing firm was then sent to the DRA for approval. The 2024 proposed budget and the new assessments are not related in the

manner that some have suggested and certainly the Board of Selectmen have no control over the new values with the exception of setting the new rate as mentioned above.

To look at the town's new assessments and raise a call to the "punish" the Selectmen by voting for another default budget is not only misleading it is simply irresponsible. One does not affect the other and I suggest if there are questions or concerns with your new assessment please contact the assessing department at (603)-522-6205 Ext 300 They are there 8-4 Tuesdays and Fridays and the staff in that office will do their best to get back to you and answer your questions. As a side note: Please do not call the Tax Collector's office, she "collects" the taxes for the town and can not answer questions on assessments.

As always we hope you search for meetings and upcoming hearings for all boards and committees online at wakefieldnh.com These are the best places to find more information and express your concerns and we look forward to the conversation.

If there are any further questions, feel free to call me at 603-522-6205 Ext 307.

Thank you, on behalf of the Board of Selectmen,

Dino A. Scala
Town Administrator, Wakefield NH