

Understanding Your 2019 Andover Property Tax Bill

Revaluation drives 2019 tax rate down by 5.8%

Marj Roy, Town Administrator

This guide is a basic overview of the Town's portion of our property tax rate. It is intended to help explain the components of the tax rate and how it is set each year.

The property tax rate, or how much each of us pays for every \$1,000 of assessed property valuation that we own, is determined by the New Hampshire Department of Revenue Administration (DRA) and considers three main components:

Total Town appropriation: This is the total budget that, once approved at Town Meeting, becomes the appropriation. For 2019, this was \$1,845,736.

Total expected Town revenues: We receive revenue from many different sources, from the Town portion of your motor vehicle registration to the Town's portion of the State's Rooms and Meals tax. For 2019, total revenues were estimated to be \$866,464.

Adjustments: There are two main adjustments added to our appropriation when setting the tax rate. The first are veterans credits, which are based on eligibility. For 2019, the amount of veterans credits equal \$59,000. The second adjustment is called the Overlay, which is an allowance for abatement of taxes. For 2019, this was set at \$22,000.

Money Raised from Taxation

The first step in calculating the tax rate is to determine how much money the Town will need to raise in taxes. This is done by taking the total appropriations voted at Town Meeting (budget plus warrant articles), subtracting total expected revenues and any use of fund balance (\$247,247), adding veterans credits, and finally adding overlay. This gives the total amount of money to be raised in taxes. For 2019, it works out this way

Total appropriation: \$2,443,547
 plus veterans credits: \$59,000
 plus overlay: \$19,254
 equals the amount of money needed to run the Town: \$2,521,801
 minus revenue: \$886,464
 minus use of Town's fund balance: \$247,247
 equals the amount we need to raise

from taxation: \$1,388,090. This is also called the "tax burden."

Once we know the amount of money to be raised through taxation, the next step is to determine the tax rate per thousand dollars of Town valuation.

Tax Rate Calculation

Simply put, the tax rate is the following formula: the amount to be raised by taxes, divided by the Town valuation, times 1,000.

For 2019, this becomes:

\$1,388,090, divided by \$302,729,290, times 1,000, equals a tax rate of \$4.59 per \$1,000 of assessed valuation.

What Can Change the Tax Rate?

The State requires that every municipality be assessed at its "full and true" market value. The New Hampshire Constitution (Part 2 Article 6) requires that each municipality "takes value anew" every five years. A revaluation is the most equitable way to accomplish this. If the total Town property valuation goes up, the tax rate will go down (because the total Town property valuation is the denominator in the tax rate calculation). If the total Town valuation goes down, the tax rate will go up.

For 2019, the tax burden is up 10.3% over 2018's tax burden. But the Town revaluation is up by 17.3% over 2018, which drives down the tax rate. The tax rate for 2019 is down 5.8% from the 2018 tax rate.

These factors are all part of the reason you may see a change in your tax bill.

The 2019 Tax Rate

For 2019 the total tax rate is \$22.10 per \$1,000 of valuation, a decrease of 5% from 2018. The Town portion of the total tax rate decreased by 25 cents or 5%. The combined local and state school portion decreased 78 cents or 5.1%, the fire district decreased 7 cents or 13%, and the county decreased 27 cents or 9%. The total decrease was \$1.37 from the 2018 tax rate.

To determine your full-year 2019 tax, multiply the tax rate (\$22.10) times the assessed value of your property in thousands: If your property is valued at \$150,000, first divide your value by \$1,000 to get 150, then multiply it by the tax rate of \$22.10 per \$1,000. This gives you: 150 times \$22.10 equals \$3,315 for the total year tax due.

Public Hearings Consider Boundary Changes of Village Districts

Final public hearing on Tuesday, January 14

Andover Planning Board

The Planning Board is recommending an amendment to the Zoning Ordinance to enlarge the village districts. This probably sounds like old news, because it is old news.

The Planning Board (PB) put together the proposal last year, had public hearings to listen to resident input, and planned to have it on the ballot for Town Meeting in 2019. To our embarrassment, the PB missed the deadline to have it on the ballot. So, the PB is bringing the same proposal this year.

The reasons for the change are simple. Both Andover Village and Cilleyville Village have grown over the years as properties have changed use through the special exception process. Duplexes and multifamily properties have been created in the areas adjacent to the village districts, and small retail and service businesses have been established in the same areas. The PB thinks it makes sense for those properties and adjacent properties to be made a part of the revised village districts, which permit such uses.

In addition, some properties were not included in the village districts for various reasons – the PB does not think most of those reasons still apply. For example, the PB thinks both sides of a street should be in the same district, and that riverfront lots can be accommodated and protected within the village districts.

Expanding the village districts will preserve the attractive qualities of our town and ensure orderly development.

The Master Plan identifies several guiding principles as being important to our town. Those principles include: maintain Andover's small town, rural character with village centers; encourage commercial activity that builds on the regional recreation and tourism economy; and provide choices in housing types.

Commercial activity and housing types other than single family homes in any district except a Village District require a special exception from the Zoning Board of Adjustment – which increases the time and expense of developing commercial activity or duplex housing. The current shortage and expense of rental housing underlines the importance of providing places for that kind of housing without the burden of seeking a special exception. The PB thinks expanding the village districts encourages the kind of development and control the town desires.

The Planning Board held its first public hearing to review the proposed amendment on December 10; it will hold the final public hearing on Tuesday, January 14. It is important for everyone to hear our thinking, hear your thoughts, and share maps.

The wording of the proposed amendments will be available, as well as maps which delineate the current boundaries as well as proposed boundaries. You are invited to join us.



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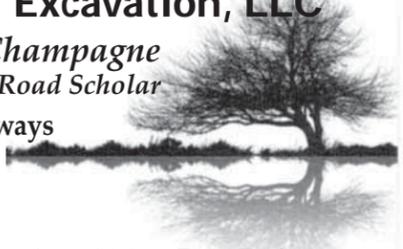
Dec 29: Rev. EMILY BURR - "Endings and Beginnings"
Come join our annual ritual of letting go of what's not wanted and taking with you what you wish to grow in the coming year.

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