

Bridgewater News Brief – Winter 2025

The 2024 reassessment is complete and has raised some question about the process. This newsletter is focused on the NH Property Tax System.

“Why did my 2nd half tax bill assessment value almost double (Or more!)” over the 1st half bill?”

The **first half tax bill** of land and building is based on ½ of the prior year total tax bill for your property. For the majority, the assessed valuation at that time remained relatively constant with the noted exceptions: Modifications to the property (i.e. new deck or garage) **Or** you’re in an area that a quarterly physical update is being done.

The **second half tax bill** assessed valuation of land and building is based on determining the total assessment value of all land and buildings of each property in Town. The State of New Hampshire requires each town or city to do a full re-valuation of property values at minimum every five years. This is done by an accredited assessment company, so that it is done impartially and accurately by professionals. That assessed value of a property is based on the real estate sales of comparable properties in the Town of Bridgewater. The value is further refined by a number of characteristics to adjust for age, condition, number of bedrooms, flooring type etc. The Uniform Standards of Professional Appraisal Practice (USPAP) compliant application Report is a 500-page document on the appraisal practices used to determine the 2024 value of a property in Bridgewater. The “hot” real estate market from 2020 to the present increased property values in Bridgewater. Our tax base of all properties went from \$465,392,300 to \$805,131,500.

Your Property Taxes Explained

As you can see from the following chart, the actual town portion of the tax bill is 33% of the total tax bill. The sum of the various education taxes comprises and additional 49% and the Grafton County tax makes up the balance of 18%.

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Example:

If your property is assessed at \$316,700, your yearly tax bill is:

$\$316,700/1000 = 316.7 \times \$5.74 = \$1817.85$ That is the **2024 Yearly amount.**

Deduct the first half payment = **Second half bill.**

An example of the total town portion follows:

Municipal Rate/1000 X Total Tax Base = Amount available for municipal services.

$1.91/1000 = .00191 \times 805,131,500 = \$1,537,801.17$ for municipal services.

Interestingly enough, when assessment's go up, the local portion of the tax rate typically drops. That is because the total assessed value is the denominator in the equation that determines the rate. Part of the revaluation will experience some differentials between types of property. Residential, commercial, Industrial, waterfront, zoning and current use all have an impact on property values.

Ultimately market forces determine and shape the final determination of property values.

The only advantage of a property tax is a relatively stable flow of dollars to provide services. Its main disadvantage (among many) is a disconnect to income. When NH was an agrarian state, more land meant more lumber to harvest, livestock to sell etc. (The state eliminated the livestock tax around 1970. The Selectmen had to go to the farms to count livestock!)

Tax Rate	2024
Town	\$1.91
Local School	\$1.48
State Education (SWEPT)	\$0.99
County	\$1.02
BH Village District	\$0.34
Grand Total	\$5.74

New Hampshire has no income or sales tax, and therefore relies very heavily on property taxes. If both state and local revenues are taken into account, property taxes make up 64.7% of money raised by the government. That's the highest reliance on property taxes in the U.S.

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“So, what about these other components of our property tax bill?”

The Local School portion of your Property Taxes

Currently, the “Local School” portion are the taxes raised to support and pay for our school children in SAU 4 (7 Towns). The only control we had was attending and voting at the SAU 4 Deliberative Session. Having a small voting bloc, we had very little voice in that deliberative body. Starting in July 2025, we will no longer be fiscally obligated to SAU 4. We will be supporting our new Hebron / Bridgewater / Groton Cooperative School District – The Pasquaney School District or SAU 108. Each of the three towns will be voting for their own independent School Board member. SAU 108 will be having their own annual session to vote on their budget. **Please note: Your 2024 tax bill does not represent any budgetary amounts for SAU108.**

This smaller school district will offer us much more of a voice in our children’s education and the costs / taxes associated with that education going forward.

Important Dates **

Tuesday March 11 2025

{This voting is at your town of residence}

Hebron	Hebron Town Hall	11 AM to 7 PM
Bridgewater	Bridgewater Town Hall	11 AM to 6 PM
Groton	Groton Town Hall	11 AM to 7 PM

To choose the following School District Officers:

- a. School Board Member – Hebron Term of 3 years
- b. School Board Member – Bridgewater Term of 2 years
- c. School Board Member – Groton Term of 3 years
- d. School Board Moderator Term of 2 years
- e. School District Clerk Term of 3 Years
- f. School District Treasurer Term of 3 Years

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Tuesday March 25 2025

Annual Pasquaney School District Meeting

Time: 6PM

Place: Bridgewater Town Hall

**** Subject to change as the above has been submitted to State Board of Education for approval.**

The SAU108 School Board is making progress on multiple fronts.

- Teacher Contracts, Food Service and Transportation Contracts.
- Finalizing Budgets, New Accounting Systems, Student Information System, Website framework
- Policy Adoptions, Collaborations with SAU4 for shared services and Memorandums of Understanding (MOU) for shared services on Tuition agreements with SAU4 and SAU48 including sports and extra curricula activities.
- Meetings with Legal Counsel, NH Departments of Education and Revenue

The BH Village District portion of your Property Taxes

You might believe that the new school district might preclude the necessity for the “BH Village District”. That is not the case. The district is comprised of the towns of Bridgewater and Hebron which owns and maintains the physical building. It is best to retain that ownership, and lease the building to the new district. As in the past, there will continue to be a budget hearing and meeting for the Bridgewater Hebron Village District, which you as registered voters in Bridgewater and Hebron can attend and vote.

Date of Annual BHVD Meeting:

Tuesday April 8th Voting 5-7PM

7:30PM Annual Meeting

Place: Bridgewater Town Hall

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The SWEPT portion of your Property Taxes

The acronym “SWEPT” stands for State Wide Educational Property Tax. This is a state tax required under the State Constitution to be a uniform tax (all property taxed at the same rate) levied on all property in the State based on current assessed value of the entire town,

This rate is determined by the Department of Education (DOE) and the Department of Revenue Administration (DRA). The Town is required to raise this tax money for education in your community.

Currently there are two State Supreme Court cases that have the potential to dramatically impact how much money the town will be required to raise for the SWEPT portion of the property tax bills.

One case involves sending “excess funds” to the State Educational Trust Fund. The other concerns the cost of an adequate education. We will publish a future article for the newsletter that details the issues that surround this tax and how it may affect us. Bridgewater and Hebron’s leadership has been active in being heard on the issues with other impacted towns. Effectively, this is potentially a return to “donor” towns. Stay tuned.

The County portion of your Property Taxes

This is the final portion of your taxes that you (nor the town) have any real voice

County governments serve a larger geographical area than cities and towns, but a smaller area than states. They are created by the state government and typically operate under provisions set out in the NH State Constitution. As such, they are essentially administrative units of the state. It’s likely they receive little or no funding from the state.

Grafton County provides services for towns in Grafton County: Superior Court, Jail Services, Nursing Home, Attorney Services for Police/Court, Registrar of Deed, Dispatch Services, County Farm etc. They also fund other services via grants to senior services, children services and homeland security services. (Not a full list)

The legislative branch of county government consists of all State Representatives from Grafton County (27 in Grafton County); this is called the County Legislative

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Delegation; this Delegation adopts an annual county budget which raises revenues and appropriates funds for county departments and programs.

In summary, the Grafton County management structure is managed by 3 voted Commissioners and a governing body of the state representative you vote for at state elections.

“Are they effective?” “Beauty is in the eyes of the beholder” Grafton County’s budget is about 27 million dollars. The cost of services is funded by the use of Equalized Valuation. There is no provision for allowing for how much a town uses its services. Bridgewater, Hebron and Groton County Costs were \$1.6 million dollars for 2024 because our property assessed are high! (Bridgewater costs increased almost 200K in one year because of valuation based methodology How much did we receive in services? Do you hear an echo?

I hope that this has helped to provide a clearer understanding of how your tax dollars are determined and, importantly, how and where they are spent. The reassessment changes were striking. We take this matter very seriously and are working to manage the matter within our authority.

For more information, please access the following.

<https://www.revenue.nh.gov/sites/g/files/ehbemt736/files/documents/2024-municipal-and-village-tax-rates.xlsx>

Sincerely,

Terry Murphy, Skip Jenness, Wes Morrill

Bridgewater Selectboard