

***Town of Groton Selectmen's Office
754 North Groton Road
Groton, NH 03241
(603)744-9190 phone
(603)744-3382 fax
selectmen@grotonnh.org***

November 15, 2021

Dear Groton Tax Payer,

We are anticipating many questions regarding the recent decrease in the town's tax rate for 2021. Therefore, we would like to take this opportunity to explain how the tax rate is set and where the decrease has come from.

The tax rate is calculated by the New Hampshire Department of Revenue Administration in October or November of each year. Basically, the total appropriations for the town, school, and county minus revenues are divided by the total property assessments to come up with the tax rate. The rate consists of 4 portions:

1. **TOWN RATE**: This is what covers town services. The total appropriated is the operating budget and special warrant articles less any revenue from grants, capital reserve or surplus funds, yield taxes, land use change taxes, motor vehicle payments, etc.
2. **LOCAL SCHOOL RATE**: This is the Newfound SAU appropriations raised through the school district's budget process less state education grants and state education taxes.
3. **STATEWIDE EDUCATION TAXES**: This is the statewide property tax and the rate is set by the state.
4. **COUNTY RATE**: This is the amount appropriated by the County for services such as the Sheriff's Department, County nursing home, and corrections facility.

The total of all four categories is the final tax rate on the fall tax bill. The tax rate is multiplied by your property's assessed value to calculate your tax due. The first billing of each year is based upon the previous year's tax rate and appropriations.

The 2021 tax rate breakdown (compared to 2020) is as follows:

1. Town portion went from \$3.81 to \$0.55, a **decrease** of \$3.26.
2. Local school went from \$7.96 to \$4.07, a **decrease** of \$3.89.
3. State education tax went from \$3.79 to \$2.32, a **decrease** of \$1.47.
4. County tax went from \$2.60 to \$2.03, a **decrease** of \$0.57.
5. The overall tax rate went from \$18.16 to \$8.97, a **decrease** of \$9.19.

The reason for the decrease of the \$3.26 for the Town's portion is due to the decrease in the budget for 2021, which was voted on at the Town Meeting in May 2021. The Select Board tried to keep the budget as low as possible and didn't put as many items on the 2021 warrant articles knowing that a new Town Garage is needed and they knew the potential Garage was the large warrant article for discussion at the Town meeting in 2021. Also, the majority of the large projects in Town had been

completed in previous years which made it so there wasn't as many projects needing to get done in 2021, which meant less money to be raised and appropriated. The potential Town Garage was voted down so no money was needed to be raised and appropriated for this. Due to the discussion on the building, the back and forth between warrant articles and the confusion with the voting on the potential Town Garage, warrant article 5 was revisited a few times and amended. The Town voted in favor of the final amendment submitted for this article but the actual amended warrant article was never voted on. Therefore, that was additional money that we couldn't raise and appropriate this year to add to the Capital Reserve Funds since this was not voted on. Due to all of these factors, the amount of money to be raised and appropriated for 2021 was \$564,075 less than 2020 which caused a significant decrease in the towns portion of the tax rate. Although these factors helped lower the tax rate, some of them have hurt the Town, especially the Town not putting any money into its Disaster Relief Capital Reserve Fund. This Reserve Fund is very low due to having to take from this to repair damages from the disasters that took place from 2017-2019. This money needs to be replaced in case there is another disaster in the future.

Also, as you are all aware, the Towns revaluation year took place in 2021. This is required to be done every five years to adjust to market factors. This revaluation was able to bring values to 98% of market value in Groton. Given the current economic factors, coupled with very low interest rates, COVID19 effects, and the increase in the market value making this a "sellers' market", many of you saw your property values increase due to this. This revaluation also brought the Towns valuation up, which helped lower the tax rate this year.

The Town cannot manipulate the local, state or county portions of the tax rate. These three totals \$8.42 of the \$8.97 tax rate.

We encourage all Groton residents to become more active in the local school budgeting process and encourage the residents to contact the Superintendent's office with any questions or concerns related to the school at (603)744-5555.

Please contact the Select Board's Office at (603)744-9190 with any questions or concerns about your property assessment, local spending, etc. Office hours are Monday – Thursday, 8:00 am – 4:00 pm.

Sincerely,

Groton Select Board

| 2021 Taxes | |
|-------------------|------|
| Town Rate | 0.55 |
| Local School Rate | 4.07 |
| State School Rate | 2.32 |
| County Rate | 2.03 |
| Total | 8.97 |

