

Why did property taxes spike 15% for many on December 2023 tax bill?

- 1) Break down of where property tax goes:

Property taxes go to four different places; listed below with the tax rate increase in Dec. 2023 per thousand dollars of property valuation and percent of total tax.

Town of Rye - about 28%
Rye schools – about 60%
Rockingham County – about 10%

Plus where you live gets added:
Rye Water District - about 2/3 of Rye
Jeness Beach Village District
Rye Beach Village District.

- 2) Note your December 2023 bill is slightly higher than ½ of what your total 2023 Tax payment. Your June 2024 bill is ½ of your 2023 taxes (based on the March 2023 approved budget).
- 3) The 2022 revaluation of Rye property only lowered the tax rate because total assessed value increased. This makes it hard to compare tax rate history. However, with increased budgets Select Board continued to maximize unassigned fund balance (surplus) to prevent a large tax increase.
- 4) The state of NH sets the tax rate each fall. The Select Board did not have that information in time to put an explanation of the property tax increase in their Dec. 2023 newsletter. At the Nov. 27th Select Board meeting had the NH Department of Revenue Assurance approval of the minimum reserve account levels that included \$1,870,000 from the unassigned fund balance to minimize the tax increase.
- 5) Over the last decade Rye's debt has been dropping because of lack of investing. That is why the taxes were not going up incrementally even though costs were going up. Over-budgeting has left a surplus each year and that has been used to artificially keep the taxes down.
- 6) Tax rates were kept level for 3 years because of Covid using unassigned fund balance, (surplus in budget).

In 2022 maximizing what could be used from the unassigned fund balance reduced tax rate increase to 3%.

In 2023 the "raw" increase was 23%; The Sel. Bd. used over \$1,870,000 from the unassigned funds to reduce the tax increase to 15%.

For last 5 years, tax increases were 0, 0, 0, 3, 15% respectively. The Select Board knew that the town would have a “SnapBack” at some point but didn’t expect such as drastic increase.

In 2023 all three of the town’s union contracts were renegotiated this year along with large inflation increases on every service, materials and equipment used by the town.

7) However, all tax payers know that costs have been rising and that taxes would eventually have to reflect that fact.