

## Coefficient of Dispersion (COD) Guidelines

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The Department of Revenue Administration, in its role of assisting and educating municipalities on any issue relating to the assessment of the property tax, is providing information regarding the level of assessment and equity in your municipality as part of the annual equalization process.

**RSA 75:1** (<http://www.gencourt.state.nh.us/rsa/html/V75/75-1.htm>) requires that all municipalities shall appraise all taxable property at its full and true market value – 100%. The equalization ratio that the Department of Revenue Administration has calculated for your municipality is a measure of the assessments versus the market value of sale properties.

**The New Hampshire Constitution, Pt 1, Article 12, 102** (<https://www.nh.gov/glance/bill-of-rights.htm>), requires that all assessments be proportional. The New Hampshire Supreme Court decision, **Appeal of Andrews, 136 N.H. 61 (1992)** (<https://casetext.com/case/appeal-of-andrews>), states that, “In order to be proportional, all taxpayers must be assessed at the same ratio.” The New Hampshire Board of Tax and Land Appeals decision, **Birch Pond Office Park Association vs. City of Nashua, No. 4246-88** ([https://www.nh.gov/btla/decisions/searchable/1988\\_pdf/4246-88.pdf](https://www.nh.gov/btla/decisions/searchable/1988_pdf/4246-88.pdf)), states “...there should only be one general level of assessment per town, i.e., two or more ratios or levels of assessment by classes of property is impermissible,....”

The DRA calculates the ratios, coefficient of dispersion and price-related differential to determine the level of assessment and equity that exists in each municipality. The coefficient of dispersion and price related differential are two statistics that measure equity and proportionality among taxpayers. In order to help municipalities achieve the highest proportionality among its taxpayers, the Department of Revenue Administration is recommending the following national standards as guidelines for assessing officials.

The statistics calculated during the conduct of your municipality’s equalization study are very important and should be understood thoroughly. The Department of Revenue Administration, Municipal & Property Division field staff will meet with assessing officials to explain the significance of these statistics to the municipality and what steps should be taken to either improve upon or to maintain good assessment proportionality in compliance with RSA 75:1 and the New Hampshire Constitution.

If you would like to set up an appointment for your municipality to meet with a member of our field staff, please call our office at 603-230-5950.

### C.O.D. AND P.R.D. GUIDELINES SUMMARY

*(See International Association of Assessing Officers Standards 2021 for complete standards)*

#### Residential Improved (single family, condos, manuf. housing, 2-4 multi-family units)

Scenario	Measure of Central Tendency (Ratio)	Coefficient of Dispersion (COD)	Price-Related Differential (PRD)
<b>Income-Producing Properties</b>			
Very large jurisdictions, new properties	.90 - 1.10	5.0 - 10.0	.98 - 1.03
Large to mid-size jurisdictions, older & newer properties	.90 - 1.10	5.0 - 10.0	.98 - 1.03
Rural/small jurisdictions, older properties	.90 - 1.10	5.0 - 20.0	.98 - 1.03
<b>Residential Vacant Land</b>			
Very large jurisdictions, newer properties	.90 - 1.10	5.0 - 15.0	.98 - 1.03
Large to mid-size jurisdictions, older & newer properties	.90 - 1.10	5.0 - 20.0	.98 - 1.03
Rural residential , older properties	.90 - 1.10	5.0 - 25.0	.98 - 1.03
<b>Other(non-agricultural) vacant land</b>			
Very large jurisdictions, rapid development	.90 - 1.10	5.0 - 15.0	.98 - 1.03
Large to mid-size jurisdictions, slower development	.90 - 1.10	5.0 - 20.0	.98 - 1.03
Rural/small jurisdictions/little development	.90 - 1.10	5.0 - 25.0	.98 - 1.03
<b>Other(non-agricultural) vacant land</b>			
Very large jurisdictions, rapid development	.90 - 1.10	5.0 - 20.0	.98 - 1.03
Large to mid-size jurisdictions	.90 - 1.10	5.0 - 25.0	.98 - 1.03
Rural/small jurisdictions/little development	.90 - 1.10	5.0 - 30.0	.98 - 1.03

