

There has been / may be a misperception that the Essex County Commissioner of the Revenue (COR) has only recently decided to use State Land Evaluation & Advisory Council (SLEAC) values for land use taxation. A brief history of land use values in Essex County follows:

- For Tax Year 2008, COR had no SLEAC values for Essex County. Until recently, the SLEAC did not provide values for localities that had not adopted land use and/or agriculture/forestal districts. COR looked to neighboring localities (many had been in land use for decades) to determine the use values for agriculture, forest, horticulture, and open space categories. A composite value was established for each category; the value used in Essex County was somewhat higher than neighboring localities. The initial values were: ag=750 // forest=500 // horticulture=750 // open space=500. These values remained in effect through Tax Year 2012, as they could not be changed until a county-wide reassessment was conducted.
- For Tax Year 2013, COR now had SLEAC values for five tax years. However, SLEAC values are based on an Olympic moving average, where the highest and lowest values over the most recent 7-year period are excluded. Since Essex County still did not have a true SLEAC value, a composite value was again established; for agricultural land, the value was based on a combination of the capitalization of cash rents, the capitalization of net income, and “personal knowledge, judgment and experience”. The values were: ag=1125 (50% increase) // forest=575 (15% increase) // horticulture=1125 (50% increase) // open space=575 (15% increase). These increases in value also occurred in a year when the tax rate increased 14.5 cents (\$0.695 to \$0.84); this represented a significant increase in actual taxes levied on land use acreage (81.4% increase for agriculture/horticulture). These values will remain in effect through Tax Year 2016.
- For Tax Year 2017, COR now has SLEAC values for nine years, allowing a true 7-year Olympic average. In addition, COR is now able to integrate Geographic Information System (GIS) overlays with SLEAC values in order to establish use value estimates for each of the eight Soil Conservation Service land capability classifications. SLEAC provides these values through the use of an approved index to adjust use values for the various land capability classifications. When the mix of land capability classes of an individual land parcel is known, using the adjusted use-value estimates allows the assessment to be based more on the actual productive capability of the land. Based on most recent SLEAC values provided for Essex County, COR anticipates that average values for Tax Year 2017 will be: ag=2250 (100% increase) // forest=625 (9% increase) // horticulture=1500 (33% increase) // open space=1500 (160% increase). Obviously, even with no increase in the tax rate (currently \$0.88 per hundred), there will be another significant increase in actual taxes levied on agriculture land (\$9.90/acre to \$19.80/acre). When Tax Year 2017 SLEAC values are released later this year, COR will advertise local values based on land capability classifications and host a town hall meeting to discuss with the public. Essex County land use values will be set and distributed to property owners with reassessment notices in mid-to-late fall 2016. Based on the estimated values above, COR anticipates that approximately \$300,000 less revenue will be deferred in Tax Year 2017; this reduced deferral has been included in the current FY17 budget.