P.L. 2013, Chapter 43, Approved April 15, 2013

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 589

STATE OF NEW JERSEY
215th LEGISLATURE
ADOPTED MAY 17, 2012

Sponsored by: Senator JENNIFER BECK District 11 (Monmouth) Senator STEPHEN M. SWEENEY District 3 (Cumberland, Gloucester and Salem) Assemblyman TROY SINGLETON District 7 (Burlington) Assemblyman JOHN J. BURZICHELLI District 3 (Cumberland, Gloucester and Salem) Assemblywoman PAMELA R. LAMPITT District 6 (Burlington and Camden) Assemblywoman BONNIE WATSON COLEMAN District 15 (Hunterdon and Mercer) Assemblyman GILBERT "WHIP" L. WILSON District 5 (Camden and Gloucester)

Co-Sponsored by: Senator Turner, Assemblymen Benson, Wimberly and Coughlin

SYNOPSIS
Revises certain provisions of farmland assessment law.

CURRENT VERSION OF TEXT
As amended by the General Assembly on February 14, 2013.
AN ACT concerning farmland assessment, amending and 
supplementing P.L.1964, c.48, amending P.L.1999, c.278, and 

BE IT ENACTED by the Senate and General Assembly of the State 
of New Jersey:

1. a. (New section) 1(1) The Division of Taxation in the 
Department of the Treasury, in consultation with the State Board 
of Agriculture and the Department of Agriculture, shall 
develop and adopt as rules and regulations pursuant to the 
seq.) within one year after the date of enactment of 
P.L. (pending before the Legislature as this bill),
guidelines describing generally accepted agricultural 
and horticultural practices, which may be used by municipal tax 
assessors, county assessors, county tax administrators, and other 
appropriate local government officials to assist them in determining 
whether land may be deemed to be in agricultural use, horticultural 
use, or actively devoted to agricultural or horticultural use pursuant 
to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4- 
23.1 et seq.). The Division of Taxation in the Department of the 
Treasury shall review the guidelines, and, upon its approval thereof, 
shall adopt them as rules and regulations pursuant to the 
seq.). The guidelines shall be advisory, and need not be exhaustive 
or comprehensive in terms of applicability, nor specifically tailored, 
to each and every possible agricultural or horticultural practice or 
use. The Director of the Division of Taxation shall distribute these 
guidelines to all municipal tax assessors, county assessors, county 
tax administrators, and other appropriate local government officials, 
by including them, to the maximum extent possible, with other 
information on real property taxation regularly distributed by the 
division to such individuals.

1(2) Upon the request of a municipal tax assessor, county 
assessor, county tax administrator, or other appropriate local 
oficial, the Division of Taxation, in consultation with the State 
Board of Agriculture and the Department of Agriculture, shall 
provide advice in writing if requested, to assist the municipal 
tax assessor, county assessor, county tax administrator, or other 
appropriate local official in determining whether or not a particular 

EXPLANATION – Matter enclosed in bold-faced brackets in the above bill is 
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
1 Senate SBA committee amendments adopted June 18, 2012.
2 Senate floor amendments adopted June 21, 2012.
3 Assembly AAN committee amendments adopted September 27, 2012.
4 Assembly floor amendments adopted February 14, 2013.
SCS for S589 BECK, SWEENEY

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parcel may qualify for valuation, assessment and taxation pursuant to P.L.1964, c.48 based on the agricultural or horticultural activities taking place on the parcel. The written advice provided in response to each such individual request shall be compiled by the Division of Taxation and issued periodically, but at least annually, as a supplement to the guidelines describing generally accepted agricultural and horticultural practices developed and adopted pursuant to this subsection.

b. The Division of Taxation, in the Department of the Treasury, in conjunction with the Department of Agriculture, shall annually offer, at such time intervals as may be established by the Director of the Division of Taxation but at least biennially, and free of charge, a six-hour continuing education course to municipal tax assessors, county assessors, county tax administrators, and other appropriate local government officials on the guidelines developed and adopted pursuant to subsection a. of this section and other issues concerning the valuation, assessment and taxation of land pursuant to P.L.1964, c.48.

c. The State Board of Agriculture, the Department of Agriculture, and the Department of Environmental Protection shall consult with the New Jersey Forestry Association, the New Jersey Division of the Society of American Foresters, and other interested forestry, farming, conservation, and environmental organizations on any issues pertaining to woodland management or forest stewardship and P.L.1964, c.48.

Section 5 of P.L.1964, c.48 (C.54:4-23.5) is amended to read as follows:

5. a. Except as otherwise provided in subsection b. of this section, land, five acres in area, shall be deemed to be actively devoted to agricultural or horticultural use when the amount of the gross sales of agricultural or horticultural products produced thereon, any payments received under a soil conservation program, fees received for breeding, raising or grazing any livestock, income imputed to cropland pastured and permanent pasture land used for grazing in the amount determined by the State Farmland Evaluation Advisory Committee created pursuant to section 20 of P.L.1964, c.48 (C.54:4-23.20), and fees received for boarding, rehabilitating or training any livestock where the land under the boarding, rehabilitating or training facilities is contiguous to land which otherwise qualifies for valuation, assessment and taxation under this act, have averaged at least $500.00 $1,000 per year during the two-year period immediately preceding the tax year in issue, or there is clear evidence of anticipated yearly gross sales and such payments, fees, and imputed income amounting to at least $500.00 $1,000 within a reasonable period
of time, or such amount as may be established by the State
Farmland Evaluation [Advisory] Committee pursuant to this
section. In the case of woodland subject to a woodland
management plan pursuant to section 3 of P.L.1964, c.48 (C.54:4-
23.3), the amount shall be at least $500, or such amount as may be
established by the State Farmland Evaluation [Advisory] Committee pursuant to this section. Every three years 1, or sooner
at the call of the Secretary of Agriculture or the Director of the
Division of Taxation\footnote{1}, the State Farmland Evaluation [Advisory] Committee shall review the minimum gross sales, payments, fees, and imputed income requirements\footnote{3}, and anticipated yearly gross sales, payments, fees, and imputed income requirements\footnote{3}, for the first five acres as authorized pursuant to this section shall not be enforced until the third tax year following adoption of the increase.

In addition, where the land is more than five acres in area, it
shall be deemed to be actively devoted to agricultural or
horticultural use when the amount of the gross sales of agricultural
or horticultural products produced on the area above five acres, any
payments received under a soil conservation program, fees received
for breeding, raising or grazing any livestock, income imputed to
cropland pastured and permanent pasture land used for grazing in
the amount determined by the State Farmland Evaluation Committee created pursuant to section 20 of
P.L.1964, c.48 (C.54:4-23.20), and fees received for boarding,
rehabilitating or training any livestock where the land under the
boarding, rehabilitating or training facilities is contiguous to land
which otherwise qualifies for valuation, assessment and taxation
under\footnote{4}[this act] P.L.1964, c.48\footnote{2}, have averaged at least $5.00 per acre per year during the two-year period immediately preceding the
tax year in issue, or there is clear evidence of anticipated yearly
gross sales \footnote{3} and such payments \footnote{2}, fees, and imputed income\footnote{5}
amounting to an average of at least $5.00 per year within a
reasonable period of time; except in the case of woodland and
wetland, where the minimum requirement shall be an average of
$0.50 per acre on the area above five acres.

\footnote{1}In addition, in order for land to be deemed to be actively
devoted to agricultural or horticultural use, the activity and use
must be consistent with the guidelines describing generally
accepted agricultural and horticultural practices\(^2\) developed and
adopted \(^4\) by the Division of Taxation\(^4\) pursuant to subsection a.
of section 1 of P.L. 1964, c. 48 (pending before the Legislature
as this bill).\(^4\)

As used in this section, "livestock" shall not include dogs.

For the purposes of this section, the presence of an intervening
public thoroughfare shall not preclude a finding of contiguity.

b. \(^1\) Land previously qualified as actively devoted to
agricultural or horticultural use under \(^2\) the act \(^2\) P.L.1964, c.48\(^2\)
\(^3\) but failing to meet the additional requirement on acreage
above five acres \(^1\) or failing to meet any increase in the minimum
amount of gross sales, payments and fees received, and imputed
income established pursuant to subsection a. of this section,\(^1\)\(^3\)\(^3\)
shall not be subject to the roll-back tax because of such
disqualification, but shall be treated as land for which an annual
application has not been submitted \(^3\) provided that the land
remains in agricultural or horticultural use.

\(^1\) (2) Land previously qualified as actively devoted to agricultural
or horticultural use under \(^2\) the act \(^2\) P.L.1964, c.48\(^2\) \(^3\) but
failing to meet any increase in the minimum amount of gross sales,
payments and fees received, and imputed income \(^3\) requirements\(^2\)\(^2\)
and anticipated yearly gross sales, payments, fees, and imputed
income \(^3\) requirements\(^2\)\(^2\) established pursuant to subsection a. of
this section, shall not be subject to the roll-back tax because of such
disqualification, but shall be treated as land for which an annual
application has not been submitted \(^3\) provided that the land
remains in agricultural or horticultural use.

\(^3\) (3) Land qualified as actively devoted to agricultural or
horticultural use as of the day before the date of enactment of
P.L. 1964, c. 48 (pending before the Legislature as this bill) due
to the use of payments or other compensation received under a soil
conservation program agreement with any agency of the federal
government, but which payments or other compensation do not
meet the minimum amounts required pursuant to subsection a. of
this section as amended by P.L. 1964, c. 48 (pending before the
Legislature as this bill), shall continue to be deemed to be actively
devoted to agricultural or horticultural use for purposes of
valuation, assessment and taxation under P.L.1964, c.48 until the
end of the soil conservation program agreement period.\(^4\)

\(^4\) In determining the eligibility of land for valuation,
assessment and taxation pursuant to P.L.1964, c.48 (C.54:4-23.1 et
seq.), the assessor of the taxing district in which the land is located
shall, upon request by the owner of the land, exempt the owner from
the income requirements of this section if the owner demonstrates
to the satisfaction of the assessor that the failure to meet the income
requirements was due to an injury, illness or death of the person
responsible for performing the activities which produce the income necessary to meet the income eligibility requirement of this section. The request of the owner shall be accompanied by a certificate of a physician stating that the person was physically incapacitated or by a certified copy of the death certificate, as the case may be. The assessor may only grant an exemption once for a particular illness, injury or death.

[b.] The gross sales, payments, fees, and imputed income received pursuant to the requirements of this section shall not apply to land that (1) is the subject of a forest stewardship plan approved by the Department of Environmental Protection pursuant to section 3 of P.L.2009, c.256 (C.13:1L-31) which is fully implemented, and (2) otherwise qualifies under the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.), for valuation, assessment and taxation as land in agricultural or horticultural use pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3).

[cf: P.L.2009, c.256, s.14]

3. Section 7 of P.L.1964, c.48 (C.54:4-23.7) is amended to read as follows:

7. The assessor in valuing land which qualifies as land actively devoted to agricultural or horticultural use under the tests prescribed by [this act] P.L.1964, c.48 and the guidelines describing generally accepted agricultural and horticultural practices developed and adopted pursuant to subsection a. of section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill) , and as to which the owner thereof has made timely application for valuation, assessment and taxation hereunder for the tax year in issue, shall consider only those indicia of value which such land has for agricultural or horticultural use. In addition to use of [his] personal knowledge, judgment and experience as to the value of land in agricultural or horticultural use, [he] the assessor shall, in arriving at the value of such land, consider available evidence of agricultural and horticultural capability derived from the soil survey data at Rutgers, The State University, the National Co-operative Soil Survey, [and] the recommendations of value of such land as made by any county or [State-wide] Statewide committee which may be established to assist the assessor , and the guidelines describing generally accepted agricultural and horticultural practices developed and adopted pursuant to subsection a. of section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill).
Section 14 of P.L.1964, c.48 (C.54:4-23.14) is amended to read as follows:

14. a. Application for valuation, assessment and taxation of land in agricultural or horticultural use under this act P.L.1964, c.48 shall be on a form prescribed by the Director of the Division of Taxation in the Department of the Treasury in consultation with the State Board of Agriculture, and provided for the use of claimants by the governing bodies of the respective taxing districts. The form of application shall provide for the reporting of information pertinent to the provisions of Article VIII, Section 1, paragraph 1(b) of the Constitution, as amended, and this act P.L.1964, c.48. The form shall include a plain language recitation and explanation of the guidelines describing generally accepted agricultural and horticultural practices developed and adopted pursuant to subsection a. of section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill) that may be used by municipal tax assessors, county assessors, county tax administrators, and other appropriate local government officials to assist them in determining whether land may be deemed to be in agricultural use, horticultural use, or actively devoted to agricultural or horticultural use pursuant to the “Farmland Assessment Act of 1964.” P.L.1964, c.48 (C.54:4-23.1 et seq.). The applicant shall include with the form of application, in a manner prescribed by the director, proofs of sales of agricultural or horticultural products, and of any other payments, fees, or income received from the agricultural or horticultural use of the land, in the prior year, or clear evidence of anticipated yearly gross sales, payments, fees, or income, amounting to at least $1,000 for the first five acres, or in the case of woodland subject to a woodland management plan pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3) amounting to at least $500 for the first five acres, or in either case amounting to such sums as may be established by the State Farmland Evaluation Committee pursuant to subsection a. of section 5 of P.L.1964, c.48 (C.54:4-23.5).

In the case of land that is the subject of a forest stewardship plan approved by the Department of Environmental Protection pursuant to section 3 of P.L.2009, c.256 (C.13:1L-31) which is fully implemented and otherwise qualifies under the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.), for valuation, assessment and taxation as land in agricultural or horticultural use pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3), no proofs required pursuant to this subsection of gross sales, payments, fees, or income, or of clear evidence of anticipated yearly gross sales, payments, fees, or income, need be included with the form or otherwise submitted. However, the applicant shall include documentation...
demonstrating implementation of the forest stewardship plan, including documentation of scheduled activities, a forest inventory and yield parameters to document forest productivity, and inspections performed, in accordance with rules and regulations adopted for the forest stewardship program by the Department of Environmental Protection.\(^1\)

b. A certification by the landowner that the facts set forth in the application are true may be prescribed by the director to be in lieu of a sworn statement to that effect. Statements so certified shall be considered as if made under oath and subject to the same penalties as provided by law for perjury.

In addition, for a gross and intentional misrepresentation on the application, the landowner shall be subject to a civil penalty of up to $5,000. Any such civil penalty may be imposed and collected by the municipality, the county, or the State, with costs, in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in connection with this subsection. One-half of any civil penalties so collected by a municipality or county shall be dedicated and used by the municipality or county in administering and enforcing the provisions of the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.) in the municipality or county. The remaining one-half of any civil penalties so collected by a municipality or county shall be paid by the municipality or county to the State, and together with any civil penalties so collected directly by the State, shall be dedicated and used by the Department of Agriculture and the Division of Taxation in administering and enforcing the provisions of P.L.1964, c.48.

c. Any landowner, except those who have submitted a woodland management plan or a forest stewardship plan pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3), who is an applicant for valuation, assessment and taxation pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.) for lands not previously qualified under the act P.L.1964, c.48 shall submit with the application a map of land use classes and soil groups that conforms with standards established by the Division of Taxation in consultation with the Secretary of Agriculture.

d. For any landowner whose farm management unit is less than 7 acres in size, the landowner shall submit with the application form a narrative describing the agricultural or horticultural uses on the farm management unit, the number of acres that will be actively devoted to those uses, and a sketch of the location on the farm management unit of those uses. For the purposes of this subsection, “farm management unit” means a parcel or parcels of land, whether contiguous or noncontiguous,
together with agricultural or horticultural buildings, structures and
facilities, producing agricultural or horticultural products, and
operated as a single enterprise.

e. The director, after consultation with the State Board of
Agriculture, shall include with each application a letter or other
document explaining any changes to the law, rules, regulations, and
guidelines on the valuation, assessment and taxation of land
pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.) that have occurred
in the prior tax year and which shall be newly in effect in the tax
year for which the application is being submitted.

f. The director shall devise a form for the extension of filing
time for the valuation application, which form shall include the
name and address of the applicant, the reason for the extension, and
a space for the approval or rejection of the assessor.

cf: P.L.2009, c.256, s.15

Section 20 of P.L.1964, c.48 (C.54:4-23.20) is
amended to read as follows:

There is hereby created a State Farmland Evaluation
Committee, the members of which shall be the
Director of the Division of Taxation; the Dean of the College of
Agriculture, Rutgers, The State University; [and] the Secretary of
Agriculture; a municipal tax assessor, county assessor, or county
tax administrator, who shall be appointed by the Governor with
the advice and consent of the Senate; and a member of the public
with knowledge of or experience with farming or agricultural or
horticultural practices, uses, or activities, who shall be appointed by the Governor with
the advice and consent of the Senate. Each appointed member shall
serve for a term of three years and may be appointed to successive
terms.

The committee shall meet from time to time on the call of
the Secretary of Agriculture or the Director of the Division of
Taxation and annually determine and publish a range of values for
each of the several classifications of land in agricultural and
horticultural use in the various areas of the State. The primary
objective of the committee shall be the determination of the
ranges in fair value of such land based upon its
productive capabilities when devoted to agricultural or horticultural
uses. In making these annual determinations of value, the
committee shall consider available evidence of agricultural or
horticultural capability derived from the soil survey at Rutgers, The
State University, the National Co-operative Soil Survey, and such
other evidence of value of land devoted exclusively to agricultural
or horticultural uses as it may in its judgment deem pertinent. On
or before October 1 of each year, the committee shall make these
ranges of fair value available to the assessing authority in each of
the taxing districts in which land in agricultural and horticultural
use is located.
1 c. 1 The committee shall also conduct the periodic review,
required every three years, or sooner at the call of the Secretary of
Agriculture or the Director of the Division of Taxation, of the
minimum gross sales, payments, fees, and imputed income
requirements, and anticipated yearly gross sales, payments, fees,
and imputed income requirements, in order for land which
is actively devoted to agricultural or horticultural use to be eligible
for valuation, assessment and taxation under the provisions of
P.L.1964, c.48 (C.54:4-23.1 et seq.), as prescribed by section 5 of
P.L.1964, c.48 (C.54:4-23.5), and may raise the amounts of those
minimums to such levels as the committee determines appropriate
as authorized pursuant to section 5 of P.L.1964, c.48.
1 d. 1 Within one year after the date of enactment of
P.L. 1964, c. (pending before the Legislature as this bill), and
every five years thereafter, the committee, in consultation with
recognized Statewide tax assessor and tax administrator
organizations, shall review the application form or forms for
valuation, assessment and taxation of land in agricultural or
horticultural use pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.),
and provide any recommendations the committee may have thereon
to the Director of the Division of Taxation.
(cf: P.L.1964, c.48, s.20)

Section 1 of P.L.1999, c.278 (C.54:1-35.25b) is
amended to read as follows:
1. a. All tax assessor certificates issued prior to the effective
date of P.L.1999, c.278 (C.54:1-35.25b et al.) shall expire five years
following that effective date and shall be renewed in accordance
with the procedure established in this section. All tax assessor
certificates issued on or after the effective date of P.L.1999, c.278
(C.54:1-35.25b et al.) shall expire five years after the issuance of
the certificate and shall be renewed in accordance with the
procedure established in this section.
(1) All tax assessor certificates shall be renewed upon
application, payment of the required renewal fee, and verification
that the applicant has met continuing education requirements, as set
forth in paragraph (2) and paragraph (3) of this subsection. After
the initial expiration of any tax assessor certificates following the
effective date of P.L.1999, c.278 (C.54:1-35.25b et al.), each
renewal period shall thereafter be for a period of three years. The
renewal date shall be 30 days prior to the expiration date of the tax
assessor certificate.
Prior to the first renewal date of a tax assessor certificate pursuant to P.L.1999, c.278 (C.54:1-35.25b et al.) every applicant for renewal shall, on a form prescribed by the Director of the Division of Taxation, furnish proof of having earned a total of at least 50 continuing education credit hours over the prior five-year period. Thereafter, prior to each succeeding renewal date of a tax assessor certificate, every applicant for renewal shall, on a form prescribed by the Director of the Division of Taxation, furnish proof of having earned a total of at least 30 continuing education credit hours over the prior three-year period. For the purposes of this section, one continuing education credit hour means 50 minutes of classroom or lecture time. After verifying that the applicant has fulfilled the continuing education requirement and after receiving a fee of not less than $50 paid by the applicant to the order of the Treasurer of the State of New Jersey, the Director of the Division of Taxation shall renew the tax assessor certificate. The Director of the Division of Taxation shall determine, by regulation, the circumstances under which an extension of time to complete the requirements for continuing education may be granted by the director. 

Commencing January 1, 2018, for any tax assessor of a municipality, and for any county assessor of a county in which one or more Class 3B (Farm Qualified) properties subject to valuation, assessment and taxation pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.) are located, prior to every renewal date of a tax assessor certificate issued to that tax assessor pursuant to P.L.1999, c.278 (C.54:1-35.25b et al.), the applicant for renewal shall, on a form prescribed by the Director of the Division of Taxation, furnish proof of having taken, at least once in the prior three years, the continuing education course concerning certain aspects of farmland assessment required to be offered, free of charge, by the Division of Taxation in the Department of the Treasury in conjunction with the Department of Agriculture, pursuant to subsection b. of section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill).

b. There is established within the Division of Taxation the Tax Assessor Continuing Education Eligibility Board. The board shall consist of six members and be comprised as follows: the Director of the Division of Taxation or his designee, the President of the Association of Municipal Assessors, and the President of the New Jersey Association of County Tax Board Commissioners and County Tax Administrators shall be permanent members. The Director of the Division of Taxation and the President of the Association of Municipal Assessors shall each appoint an additional member who shall serve for a term of two years. The Director of Government Services at
Rutgers University shall serve ex officio. Any vacancy in the membership of the board shall be filled for the unexpired term in the manner provided by the original appointment. The first meeting of the board shall be held at the call of the Director of the Division of Taxation, and thereafter the board shall meet annually and shall hold at least one additional meeting within each 12-month period. The board shall establish the curriculum areas and the number of hours in each curriculum area that an assessor shall complete in order to renew certification.

c. When the holder of a tax assessor certificate has allowed the certificate to lapse by failing to renew the certificate, a new application and certificate shall be required. If application is made within six months of the expiration of the certificate, then application may be made in the same manner as a renewal, but with an additional late renewal fee of $50.

d. The Director of the Division of Taxation, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt such regulations as are necessary to effectuate the provisions of this section.

(7) This act shall take effect immediately, except that it shall be applicable to tax years commencing with tax year 2014.