

ASSEMBLY AGRICULTURE AND FOOD SECURITY
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4729

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2022

The Assembly Agriculture and Food Security Committee reports favorably and with committee amendments Assembly Bill No. 4729.

As amended by the committee, this bill would establish a new process for the determination of the value of a development easement to be acquired for farmland preservation purposes by the State Agriculture Development Committee (SADC), a local government unit, or a qualifying tax exempt nonprofit organization using, in whole or in part, constitutionally dedicated Corporation Business Tax monies deposited into the Preserve New Jersey Farmland Preservation Fund, pursuant to P.L.2016, c.12 (C.13:8C-43 et seq.). This process would be used in addition to the appraisal processes in current law.

Under this bill, the committee would adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) a formula, to be known as the "Statewide Farmland Preservation Formula," that includes:

(a) conducting a sufficient number of fair market value appraisals of agricultural lands within the municipality in which the land is located;

(b) considering development easement values in counties and municipalities reasonably contiguous to, but outside of, the municipality in which the land to be acquired is located;

(c) considering the importance of preserving agricultural lands in the municipality and county in which the land is located;

(d) considering the status and value of natural resources in the municipality and county in which the land is located, and in counties and municipalities that are reasonably contiguous to, but outside of, the municipality and county in which the land is located;

(e) considering such other relevant factors as may be necessary to increase participation in the farmland preservation program by owners of agricultural lands located in the municipality and county in which the land is located, including, but not limited to, the rate of inflation, the quality of the agricultural soils, the size of the agricultural lands to be acquired, and the risk of conversion of the land from productive agriculture to nonagricultural use; and

(f) providing additional value for the proximity of agricultural lands located adjacent to preserved agricultural lands, lands preserved for recreation and conservation purposes, aquifer recharge areas, lands subject to development or conservation easements, utility and roadway rights-of-way, military bases, and airports and associated airspace.

The value determined pursuant to this new process would be used in addition to the processes contained in current law.

In addition, the bill would amend subsection e. of section 38 of P.L.1999, c.152 (C.13:8C-38), which sets for how value is to be calculated when the value of the farmland to be acquired is determined based upon the value of any pinelands development credits allocated to the parcel pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.) and the pinelands comprehensive management plan adopted pursuant thereto. Under this bill, that value would include consideration of the rate of inflation.

A landowner would be provided with the values determined pursuant to these different methods and the higher of the values would be used as the basis for negotiation with the landowner with respect to the acquisition price.

COMMITTEE AMENDMENTS:

The committee amended the bill to make technical corrections and to require the value being established in accordance with the “Statewide Farmland Preservation Formula” to be determined, in part, based on the consideration of the status and value of natural resources in the municipality and county in which the land to be acquired is located, and in the counties and municipalities that are reasonably contiguous to, but outside of, the municipality and county in which the land is located. This consideration would be in addition to the other considerations that are already required to be taken into account when determining this value under the bill’s provisions.