

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4729

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 8, 2023

The Senate Economic Growth Committee reports favorably Assembly Bill No. 4729 (1R), with committee amendments.

As amended and reported, this bill would establish a new process for the determination of the value of farmland, and development easements on farmland, 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, the Garden State Farmland Preservation Trust Fund, or any other State monies provided for farmland preservation purposes. This process would be used in addition to the appraisal processes in current law.

Under this bill, the committee would adopt a formula, to be known as the “Statewide Farmland Preservation Formula,” that includes:

(1) conducting or analyzing a sufficient number of fair market value appraisals of agricultural lands within the municipality in which the land is located, or the surrounding market area, or both;

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

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

(4) 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;

(5) 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

(6) 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, and lands whose conversion to nonagricultural use would lead to conflicting land uses, including, but not limited to, utility and roadway rights-of-way, military bases, and airports and associated airspace.

The SADC would adopt rules and regulations to establish the “Statewide Farmland Preservation Formula,” notwithstanding the provisions of the “Administrative Procedure Act.” These rules and regulations would remain in effect for a period not to exceed three years after the date of the filing and thereafter be adopted, amended, or readopted in accordance with the requirements of the “Administrative Procedure Act.”

In addition, the bill would amend current law concerning 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.

As amended and reported, this bill is identical to Senate Bill No. 3279, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) provide that the new appraisal process established in the bill would also apply to the acquisition of fee simple titles to farmland, not just the acquisition of development easements;

(2) provide that the “Statewide Farmland Preservation Formula,” to be developed pursuant to the bill, would also apply to farmland acquired using, in whole or in part, monies from the Garden State Farmland Preservation Trust Fund, or any other State monies provided for farmland preservation purposes, not just the Preserve New Jersey Farmland Preservation Fund;

(3) revise the criteria to be included in the “Statewide Farmland Preservation Formula,” to provide that the SADC may analyze, in addition to conducting, a sufficient number of fair market value appraisals of agricultural lands within the municipality in which the land is located, or the surrounding market area, or both, and consider farmland values, in addition to development easement values, in

counties and municipalities reasonably contiguous to, but outside of, the municipality in which the land to be acquired is located;

(4) require the “Statewide Farmland Preservation Formula” to provide additional value for agricultural lands located adjacent to lands whose conversion to a nonagricultural use would lead to conflicting land uses;

(5) remove a provision that would have excluded agricultural lands preserved using federal funds from being valued under the “Statewide Farmland Preservation Formula”;

(6) direct the SADC to adopt the “Statewide Farmland Preservation Formula” through rules and regulations, notwithstanding the provisions of the “Administrative Procedure Act” to the contrary, which rules and regulations would be in effect for a period not to exceed three years after the date of the filing and thereafter adopted, amended, or readopted in accordance with the requirements of the “Administrative Procedure Act”; and

(7) make a technical correction to the bill.