

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 1506

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 8, 2026

SUMMARY

Synopsis: Exempts from the realty transfer fee the recording of a deed conveying preserved farmland to a qualified beginning farmer.

Type of Impact: Annual State revenue net loss.

Agencies Affected: Department of the Treasury and Department of Agriculture.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Revenue Net Loss	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill would result in an indeterminate annual State revenue net loss due to the exemption of certain preserved farmland transfers from the realty transfer fee.
- The amount of revenue loss would depend on the number of preserved farmland transactions involving qualified beginning farmers and the sale price of those properties, as the fee is based on the amount of consideration paid for the transferred property.
- The bill may also result in a minimal annual revenue gain because the Department of Agriculture is authorized to charge applicants a certification fee of up to \$100 to qualify as a beginning farmer.

BILL DESCRIPTION

This bill exempts preserved farmland transfers to qualified beginning farmers from the realty transfer fee. Under the bill, the State would not collect the fee when preserved farmland is sold to a person who possesses written certification from the Department of Agriculture demonstrating that they qualify as a beginning farmer. The Department of Agriculture is directed to establish a certification process, including eligibility criteria and application procedures, and may charge up to a \$100 fee for certification. The exemption applies only to a limited category of property transfers and to purchasers who meet the beginning farmer requirements.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would result in an indeterminate annual decrease in State revenues due to the exemption of certain preserved farmland transfers from the realty transfer fee. The State would lose revenue otherwise collected upon the recording of deeds conveying preserved farmland to certified beginning farmers. The amount of revenue loss would depend on the number of preserved farmland transactions involving qualified beginning farmers and the amount of consideration paid for those properties, as the realty transfer fee is calculated based upon the sale price of the transferred property.

According to publicly available State farmland preservation information, New Jersey has preserved approximately 250,000 acres of farmland comprising roughly 2,800 farms. However, the OLS notes that the fiscal impact of the bill would depend not on the total number of preserved farms, but rather on the number of preserved farmland transactions occurring annually that involve purchasers qualifying as beginning farmers under the bill. Because the bill applies only to a limited category of property transfers and a limited class of purchasers, the OLS expects the overall State revenue loss to be minimal, though indeterminate.

The bill may also result in a minimal annual revenue gain because the Department of Agriculture is authorized to charge applicants a certification fee of up to \$100 to qualify as a beginning farmer. To the extent certified beginning farmers pay the authorized fee, the State may realize a small revenue gain; however, the amount of such revenue cannot be determined absent information regarding the number of anticipated certification applicants annually.

Section: Revenue, Finance, and Appropriations

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).