

CHAPTER 312

AN ACT concerning farmland assessment, and amending P.L.1999, c.152 and P.L.1964, c.48.

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

1. Section 29 of P.L.1999, c.152 (C.13:8C-29) is amended to read as follows:

C.13:8C-29 Payments to municipalities in lieu of taxes for lands acquired using dedicated money.

29. a. (1) (a) To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, or the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes that become certified exempt from property taxes pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using constitutionally dedicated moneys in whole or in part, the State shall pay annually on October 1 to each municipality in which lands are so acquired and owned, for a period of 13 years following an acquisition the following amounts: in the first year a sum of money equal to the tax last assessed and last paid by the taxpayer upon this land and the improvements thereon for the taxable year immediately prior to the time of its acquisition and thereafter the following percentages of the amount paid in the first year: second year, 92%; third year, 84%; fourth year, 76%; fifth year, 68%; sixth year, 60%; seventh year, 52%; eighth year, 44%; ninth year, 36%; 10th year, 28%; 11th year, 20%; 12th year, 12%; 13th year, 4%.

(b) Notwithstanding the provisions of subparagraph (a) of this paragraph to the contrary, any payment made pursuant to that subparagraph shall be not less than the amount that would be paid as provided pursuant to paragraph (2) of this subsection.

(2) After the 13th year, or sooner as provided pursuant to subparagraph (b) of paragraph (1) of this subsection, the State shall pay annually on October 1 to each municipality in which lands are so acquired and owned the following amounts: \$2 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute less than 20% of the total land area of the municipality; \$5 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute at least 20% but less than 40% of the total land area of the municipality; \$10 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute at least 40% but less than 60% of the total land area of the municipality; and \$20 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute at least 60% of the total land area of the municipality.

b. In the event that land acquired by the State, a local government unit, a qualifying tax exempt nonprofit organization, or the Palisades Interstate Park Commission for recreation and conservation purposes was assessed at an agricultural and horticultural use valuation in accordance with provisions of the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at the time of its acquisition by the State, local government unit, qualifying tax exempt nonprofit organization, or the Palisades Interstate Park Commission, no roll-back tax pursuant to section 8 of P.L.1964, c.48 (C.54:4-23.8) shall be imposed as to this land nor shall this roll-back tax be applicable in determining the annual payments to be made pursuant to subsection a. of this section by the State to the municipality in which this land is located.

c. Any payments made by the State pursuant to this section shall be paid from the General Fund but not from constitutionally dedicated moneys.

d. All sums of money received by the respective municipalities as compensation for loss of tax revenue pursuant to this section shall be applied to the same purposes as is the tax revenue from the assessment and collection of taxes on real property of these municipalities, and to accomplish this end the sums shall be apportioned in the same manner as the general tax rate of the municipality for the tax year preceding the year of receipt.

e. For the purposes of this section, lands owned in fee simple by the State for recreation and conservation purposes shall mean State parks and forests, as defined pursuant to section 3 of

P.L.1983, c.324 (C.13:1L-3), State wildlife management areas, and any other lands owned in fee simple by the State and administered by the Department of Environmental Protection for recreation and conservation purposes.

2. Section 8 of P.L.1964, c.48 (C.54:4-23.8) is amended to read as follows:

C.54:4-23.8 Determination of amount of rollback taxes.

8. When land which is in agricultural or horticultural use and is being valued, assessed and taxed under the provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.), is applied to a use other than agricultural or horticultural, it shall be subject to additional taxes, hereinafter referred to as roll-back taxes, in an amount equal to the difference, if any, between the taxes paid or payable on the basis of the valuation and the assessment authorized hereunder and the taxes that would have been paid or payable had the land been valued, assessed and taxed as other land in the taxing district, in the current tax year (the year of change in use) and in such of the two tax years immediately preceding, in which the land was valued, assessed and taxed as herein provided.

If the tax year in which a change in use of the land occurs, the land was not valued, assessed and taxed under P.L.1964, c.48 (C.54:4-23.1 et seq.), then such land shall be subject to roll-back taxes for such of the two tax years, immediately preceding, in which the land was valued, assessed and taxed hereunder.

Notwithstanding the provisions of any law, rule, or regulation to the contrary, land which is valued, assessed and taxed under the provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.) and is acquired by the State, a local government unit, a qualifying tax exempt nonprofit organization, or the Palisades Interstate Park Commission for recreation and conservation purposes shall not be subject to roll-back taxes. As used in this section, "acquired," "local government unit," "qualifying tax exempt nonprofit organization," and "recreation and conservation purposes" mean the same as those terms are defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3).

In determining the amounts of the roll-back taxes chargeable on land which has undergone a change in use, the assessor shall for each of the roll-back tax years involved, ascertain:

(a) The full and fair value of such land under the valuation standard applicable to other land in the taxing district;

(b) The amount of the land assessment for the particular tax year by multiplying such full and fair value by the county percentage level, as determined by the county board of taxation in accordance with section 3 of P.L.1960, c.51 (C.54:4-2.27);

(c) The amount of the additional assessment on the land for the particular tax year by deducting the amount of the actual assessment on the land for that year from the amount of the land assessment determined under (b) hereof; and

(d) The amount of the roll-back tax for that tax year by multiplying the amount of the additional assessment determined under (c) hereof by the general property tax rate of the taxing district applicable for that tax year.

3. This act shall take effect immediately.

Approved January 3, 2002.