

State Farmland Evaluation Committee (FEC)
1:00 p.m., Monday, June 10, 2024, at the New Jersey Department of Agriculture, 200
Riverview Plaza, Trenton, NJ 08611 - 1st Floor Conference Room

Meeting Minutes

Edward Wengryn, Secretary of the New Jersey Department of Agriculture (NJDA), called the Committee to order at 1:04 PM. Members present were Brian Schilling, Director of Rutgers Cooperative Extension; Shelly Reilly, Assistant Director, New Jersey Division of Taxation; and Kathleen Hill, Assessor Member; Ann Dorsett, Farmer Member, Past State Board of Agriculture Member.

Public comment

- Jack Curtis – Mendham resident feels ultra wealthy are abusing the Farmland Assessment Act and do not actually have farms. Mr. Curtis has been researching several farm assessed properties in Mendham, NJ and provided booklets of the information he has compiled. He would like to see Farmland Assessment changed to an entitlement program as in Medicaid and food stamps. He feels an income ceiling should be added to the eligibility requirement to farmland assessment, as well as means testing, and a \$200 filing fee for submitting FA-1 forms that could hire another part-time assessor. He is in full support of farmers and appreciates the hard work they do and rightly deserve the tax break where needed.
- Jeff Byrd- Mercer County Board of Ag. Member. Previous assessor for Hunterdon County. Ancillary comment to the Mr. Curtis blame is being put on the assessor, clarifies they are understaffed and challenged to assess 30% of properties each year. Mr. Byrd strongly feels Farmland Assessment would benefit from having the FA-1 forms done online. There are people that try to cheat the system and make the true farmers look bad. The Farmland Assessment Act of 1964 purpose keep land in ownership on a farm instead of growing corn they'd be growing houses. Then it is a snowball effect that would lead to municipalities to increase their police and school budgets.

Review gross sales threshold.

- Brian Schilling participated in studies in the 1990's and 2008 that simulated how much land would be rendered ineligible if an increase in the Farmland Assessment income requirement was made. When Secretary Kuperus asked what would \$500 be worth the items to be evaluated included consumer price index (CPI), increase in farm income, trends in farm production expenses, farm property tax, also price indices for commodities. Mr. Schilling agreed to run numbers by looking at agriculture revenue threshold based on inflated value on sales appreciation, net cash income, and metrics in the expense categories. He approximates the CPI based inflator to be around \$4,300-4,900. Key principles behind statute that lead to the change from \$500 to \$1000, 1.) ability of the farmer to pay, and 2.) the tax equity of the land.
- Ann Dorsett moving to \$5,000 would be a challenge for some. Kathleen Hill stated it would need to be gradual increase overtime, would need to start at \$2,500.

Farmland Assessment enforcement/fraud prevention.

- Shelly Rielly- In 2019 Taxation did audits to assist assessors to make sure sales forms were properly done, they did not do audits of the physical inspections. Taxation provided assessors with recommendation on applications when they should contact farmers if numbers were not adding up right on what they report they are farming. Audits were paused when COVID 19 happened. Taxation intends to start audits back up summer 2024. The previous audit focused on smaller farms. Assessors are better versed in real property value not agriculture.
- Kathleen Hill had 2,800 farms when working in Gloucester County. She found the GIS tool she had then helped her see the farm changes over the years. She suggests an investment in a mapping program to assist assessors with desktop investigation of farms. Maps would need tax map overlay, and current

aerial images. The tool would provide assessors the ability to see what parcels were overgrown, had fencing, had animals, etc.

- Ann Dorsett supports adjusting income threshold. The main thing should be municipalities providing support to tax assessors not adding fees to farmers.
- Secretary Wengryn asked we should be mindful of how we assess the outbuildings. Mr. Curtis booklet presented a barn where the inside is a basketball court, we need to make sure that area is not counted as cropland harvested.

Identify actions that can be made to improve field inspections.

- a. Create a visual guide to help assess what is being grown in farm fields
 - NJDA will work on.
- b. Educate with farm field visit required training
 - Brian Schilling suggests some basic Agronomical training.
 - Secretary Wengryn states that is what we need to do better. We have work to do there.
 - Kathleen Hill points out that she just noticed farmers doing their first hay cut due to the wet spring. Farmers usually can get 3-4 cuts. This year they will be lucky to get two cuts. That affects their income. New assessors may not be aware of that. Can't throw them out of farmland assessment based on one year of income reporting. Income should be averaged over three years.
- c. Pair an assessor with NRCS/Extension Staff familiar with farming practices
 - Brian Schilling said Rutgers would not be able to pair staff with assessors. They could work with the NJDA to assist with creating educational materials. Secretary Wengryn stated the Department of Agriculture needs to review educational materials.
- d. Hire additional assessors
 - Kathleen Hill indicated that assessors are dwindling quickly.

Modify documentation requirements

- Secretary Wengryn inquired about moving to online FA-1 forms.
- Shelly Rielly has been looking into online submission and plans to continue to work on it this summer.
- Brian Shilling asks Secretary Wengryn "just to be clear income proofs are not required yet can be requested by the assessor". Secretary Wengryn stated, "farmers attest to the income."
- Kathleen Hill always asks for income proof in her cover letter. Examples: a live full birth on horse farm or certification from vet, schedule F (list expenses), if a fallow year provide seed receipts, chemical receipts to see what you are doing to neutralize your soil. Hopeful Farm Bureau may have materials to help educate new assessors.

Next steps

- Brian Schilling looking to economic data
- NJDA will look over guidance documents and make updates to provide assessors training with Taxation.
- Reach out to the League of Municipalities to educate mayors on what farmland assessment means in their towns.
- Secretary will reach out to state forester on trends in woodland management and forest stewardship.

Next meeting 8/14/2024