§5
C.54:4-23.14a

P.L. 2025, CHAPTER 274, ***approved January 14, 2026***
Senate Committee Substitute for
Senate, No. 3446

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

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

1. Section 5 of P.L.1964, c.48 (C.54:4-23.5) is amended to read as follows:

5. a. Except as otherwise provided in subsection d. of this section, land, five acres in area, shall be deemed to be actively devoted to agricultural or horticultural use when the amount of the gross sales of agricultural or horticultural products produced thereon, any payments received under a soil conservation program, fees received for breeding, raising or grazing any livestock, income imputed to cropland pastured and permanent pasture land used for grazing in the amount determined by the State Farmland Evaluation Committee created pursuant to section 20 of P.L.1964, c.48 (C.54:4-23.20), and fees received for boarding, rehabilitating , or training any livestock where the land under the boarding, rehabilitating , or training facilities is contiguous to land which otherwise qualifies for valuation, assessment and taxation under P.L.1964, c.48, have averaged at least $1,000 per year during the two-year period immediately preceding the tax year in issue, or there is clear evidence of anticipated yearly gross sales, payments, fees, and imputed income amounting to at least $1,000 within a reasonable period of time, or such amount as may be established by the State Farmland Evaluation Committee pursuant to this section. In the case of woodland subject to a woodland management plan pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3), the amount shall be at least $500, or such amount as may be established by the State Farmland Evaluation Committee pursuant to this section. **[**Every three years, or sooner at the call of the Secretary of Agriculture or the Director of the Division of Taxation, the State Farmland Evaluation Committee shall review the**]** The minimum gross sales, payments, fees, and imputed income requirements, and anticipated yearly gross sales, payments, fees, and imputed income requirements, established in this section for the first five acres **[**, and may,**]** shall be adjusted by the State Farmland Evaluation Committee pursuant to subsection c. of section 20 of P.L.1964, c.48

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

(C.54:4-23.20), and the committee shall, by rule or regulation adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), [raise] adjust the amounts of those minimums to such levels as the committee determines appropriate. Any [increase] adjustment made to the minimum gross sales, payments, fees, and imputed income requirements, and anticipated yearly gross sales, payments, fees and imputed income requirements, for the first five acres as authorized pursuant to this section shall [not be enforced until the third] take effect the second full tax year following adoption of the [increase] adjustment.

In addition, where the land is more than five acres in area, it shall be deemed to be actively devoted to agricultural or horticultural use when the amount of the gross sales of agricultural or horticultural products produced on the area above five acres, any payments received under a soil conservation program, fees received for breeding, raising or grazing any livestock, income imputed to cropland pastured and permanent pasture land used for grazing in the amount determined by the State Farmland Evaluation Committee created pursuant to section 20 of P.L.1964, c.48 (C.54:4-23.20), and fees received for boarding, rehabilitating, or training any livestock where the land under the boarding, rehabilitating, or training facilities is contiguous to land which otherwise qualifies for valuation, assessment, and taxation under P.L.1964, c.48, have averaged at least $5.00 per acre per year during the two-year period immediately preceding the tax year in issue, or there is clear evidence of anticipated yearly gross sales, payments, fees, and imputed income amounting to an average of at least $5.00 per year within a reasonable period of time; except in the case of woodland and wetland, where the minimum requirement shall be an average of $0.50 per acre on the area above five acres. The minimum gross sales, payments, fees, and imputed income requirements, and anticipated yearly gross sales, payments, fees, and imputed income requirements, established in this section for land that is more than five acres in area shall be adjusted by the State Farmland Evaluation Committee pursuant to subsection c. of section 20 of P.L.1964, c.48 (C.54:4-23.20), and the committee may, by rule or regulation adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adjust the amounts of those minimums to such levels as the committee determines appropriate. Any adjustment made to the minimum gross sales, payments, fees, and imputed income requirements, and anticipated yearly gross sales, payments, fees and imputed income requirements, for land that is more than five acres in area as authorized pursuant to this section shall take effect the second full tax year following adoption of the adjustment.

In addition, in order for land to be deemed to be actively devoted to agricultural or horticultural use, the activity and use must be consistent with the guidelines describing generally accepted agricultural and horticultural practices developed and adopted pursuant to subsection a. of section 1 of P.L.2013, c.43 (C.54:4-23.3d).

As used in this section, "livestock" shall not include dogs.

For the purposes of this section, the presence of an intervening public thoroughfare shall not preclude a finding of contiguity.

b. (1) Land previously qualified as actively devoted to agricultural or horticultural use under P.L.1964, c.48, but failing to meet the additional requirement on acreage above five acres, shall not be subject to the roll-back tax because of such disqualification, but shall be treated as land for which an annual application has not been submitted, provided that the land remains in agricultural or horticultural use.

(2) Land previously qualified as actively devoted to agricultural or horticultural use under P.L.1964, c.48, but failing to meet any increase in the minimum amount of gross sales, payments and fees received, and imputed income requirements, and anticipated yearly gross sales, payments, fees, and imputed income requirements, established pursuant to subsection a. of this section, shall not be subject to the roll-back tax because of such disqualification, but shall be treated as land for which an annual application has not been submitted, provided that the land remains in agricultural or horticultural use.

(3) Land qualified as actively devoted to agricultural or horticultural use as of the day before the date of enactment of P.L.2013, c.43 (C.54:4-23.3d et al.) due to the use of payments or other compensation received under a soil conservation program agreement with any agency of the federal government, but which payments or other compensation do not meet the minimum amounts required pursuant to subsection a. of this section as amended by P.L.2013, c.43 (C.54:4-23.3d et al.), shall continue to be deemed to be actively devoted to agricultural or horticultural use for purposes of valuation, assessment and taxation under P.L.1964, c.48 until the end of the soil conservation program agreement period.

c. In determining the eligibility of land for valuation, assessment , and taxation pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.), the assessor of the taxing district in which the land is located shall, upon request by the owner of the land, exempt the owner from the income requirements of this section if the owner demonstrates to the satisfaction of the assessor that the failure to meet the income requirements was due to an injury, illness , or death of the person responsible for performing the activities which produce the income necessary to meet the income eligibility requirement of this section. The request of the owner shall be accompanied by a certificate of a physician stating that the person was physically incapacitated or by a certified copy of the death certificate, as the case may be. The assessor may only grant an exemption once for a particular illness, injury , or death.

d. The gross sales, payments, fees, and imputed income received pursuant to the requirements of this section shall not apply to land that (1) is the subject of a forest stewardship plan approved by the Department of Environmental Protection pursuant to section 3 of P.L.2009, c.256 (C.13:1L-31) which is fully implemented, and (2) otherwise qualifies under the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.), for valuation, assessment and taxation as land in agricultural or horticultural use pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3).
(cf: P.L.2013, c.43, s.2)

2. Section 13 of P.L.1964, c.48 (C.54:4-23.13) is amended to read as follows:

13. Eligibility of land for valuation, assessment , and taxation under this act shall be determined for each tax year separately. Application shall be submitted by the owner to the assessor of the taxing district in which such land is situated on or before August 1 or September 1, if an extension of time has been granted by the assessor under section 6 of P.L.1964, c.48 (C.54:4-23.6), of the year immediately preceding the tax year for which such valuation, assessment and taxation are sought. If the application is filed by delivery through the mails or a commercial courier or messenger service, compliance with the time limit for filing shall be established if there is satisfactory evidence that it was committed for delivery to the United States Postal Service or the courier or messenger service within the time allowed for filing. In the case of a courier or messenger service, the application shall be received by the tax assessor of the taxing district within three days after the statutory filing date. An application once filed with the assessor for the ensuing tax year may not be withdrawn by the applicant after August 1 or after September 1, in cases where an extension of time for filing the application has been granted by the assessor, of the pretax year.

If a change in use of the land occurs between August 1 and December 31 of the pretax year, either the assessor or the county board of taxation shall deny or nullify such application and, after examination and inquiry, shall determine the full and fair value of said land under the valuation standard applicable to other land in the taxing district and shall assess the same, according to such value. If, notwithstanding such change of use, the land is valued, assessed and taxed under the provisions of this act in the ensuing year, the assessor shall enter an assessment, as an added assessment against such land, in the "Added Assessment List" for the particular year involved in the manner prescribed in P.L.1941, c.397 (C.54:4-63.1 et seq.). The amount of the added assessment shall be in an amount equal to the difference, if any, between the assessment imposed under this act and the assessment which would have been imposed had the land been valued and assessed as other land in the taxing district. The enforcement and collection of additional taxes resulting from any additional assessments so imposed shall be as provided by said chapter. The additional assessment imposed under this section shall not affect the roll-back taxes, if any, under section 8 of [this act] P.L.1964, c.48 (C.54:4-23.8).

The application review shall include an on-site inspection of the land at least once every three years. The municipality may impose a fee for an on-site inspection of not more than $25, except that contiguous and non-contiguous parcels of land owned by the same owner would be subject to a single fee.

(cf: P.L.1995,c.276,s.5)

3. Section 14 of P.L.1964, c.48 (C.54:4-23.14) is amended to read as follows:

14. a. Application for valuation, assessment and taxation of land in agricultural or horticultural use under P.L.1964, c.48 shall be on a form prescribed by the Director of the Division of Taxation in the Department of the Treasury, in consultation with the State Board of Agriculture, and provided for the use of claimants by the governing bodies of the respective taxing districts. The form of application shall provide for the reporting of information pertinent to the provisions of Article VIII, Section 1, paragraph 1(b) of the Constitution, as amended, and P.L.1964, c.48. The form shall include a plain language recitation and explanation of the guidelines describing generally accepted agricultural and horticultural practices developed and adopted pursuant to subsection a. of section 1 of P.L.2013, c.43 (C.54:4-23.3d) that may be used by municipal tax assessors, county assessors, county tax administrators, and other appropriate local government officials to assist them in determining whether land may be deemed to be in agricultural use, horticultural use, or actively devoted to agricultural or horticultural use pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.). The applicant shall include with the form of application, in a manner prescribed by the director, proofs of sales of agricultural or horticultural products, and of any other payments, fees, or imputed income received from the agricultural or horticultural use of the land, in the prior year, or clear evidence of anticipated yearly gross sales, payments, fees, or imputed income, amounting to at least [$1,000 for the first five acres, or in the case of woodland subject to a woodland management plan pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3) amounting to at least $500 for the first five acres, or in either case amounting to such sums as may be established by the State Farmland Evaluation Committee] the amounts established and adjusted pursuant to subsection a. of section 5 of P.L.1964, c.48 (C.54:4-23.5).

In the case of land that is the subject of a forest stewardship plan approved by the Department of Environmental Protection pursuant to section 3 of P.L.2009, c.256 (C.13:1L-31) which is fully implemented, and otherwise qualifies under the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.), for valuation, assessment and taxation as land in agricultural or horticultural use pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3), no proofs required pursuant to this subsection of gross sales, payments, fees, or imputed income, or of clear evidence of anticipated yearly gross sales, payments, fees, or imputed income, need be included with the form or otherwise submitted. However, the applicant shall include documentation demonstrating implementation of the forest stewardship plan, including documentation of scheduled activities, a forest inventory and yield parameters to document forest productivity, and inspections performed, in accordance with rules and regulations adopted for the forest stewardship program by the Department of Environmental Protection.

b. A certification by the landowner that the facts set forth in the application are true may be prescribed by the director to be in lieu of a sworn statement to that effect. Statements so certified shall be considered as if made under oath and subject to the same penalties as provided by law for perjury.

In addition, for a gross and intentional misrepresentation on the application, the landowner shall be subject to a civil penalty of up to $5,000 <u>for the first offense, up to $15,000 for the second offense, and up to $20,000 for the third or subsequent offense</u> . Any such civil penalty may be imposed and collected by the municipality, the county, or the State, with costs, in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in connection with this subsection. ⟦One-half of any⟧ <u>Any</u> civil penalties so collected ⟦by a municipality or county⟧ and used ⟦by the municipality or county⟧ in administering and enforcing the provisions of the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) <u>shall be retained by the municipal, county, or State entity dedicated</u> ⟦in the municipality or county. The remaining one-half of any civil penalties so collected by a municipality or county shall be paid by the municipality or county to the State, and together with any civil penalties so collected directly by the State, shall be dedicated and used by the Department of Agriculture and the Division of Taxation⟧ in administering and enforcing the provisions of P.L.1964, c.48.

c. Any landowner, except those who have submitted a woodland management plan or a forest stewardship plan pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3), who is an applicant for valuation, assessment and taxation pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.) for lands not previously qualified under P.L.1964, c.48 shall submit with the application a map of land use classes and soil groups that conforms with standards established by the Division of Taxation in consultation with the State Board of Agriculture.

d. For any landowner whose farm management unit is less than seven acres in size, the landowner shall submit with the application form a narrative describing the agricultural or horticultural uses on the farm management unit, the number of acres that will be actively devoted to those uses, and a sketch of the location on the farm management unit of those uses. For the purposes of this subsection, "farm management unit" means a parcel or parcels of land, whether contiguous or noncontiguous, together with agricultural or horticultural buildings, structures and facilities, producing agricultural or horticultural products, and operated as a single enterprise.

e. The director, after consultation with the State Board of Agriculture, shall include with each application a letter or other document explaining any changes to the law, rules, regulations, and guidelines on the valuation, assessment and taxation of land pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.) that have occurred in the prior tax year and which shall be newly in effect in the tax year for which the application is being submitted.

f. The director shall devise a form for the extension of filing time for the valuation application, which form shall include the name and address of the applicant, the reason for the extension, and a space for the approval or rejection of the assessor.

(cf: P.L.2013, c.43, s.4)

4. Section 20 of P.L.1964, c.48 (C.54:4-23.20) is amended to read as follows:

20. a. There is hereby created a State Farmland Evaluation Committee, the members of which shall be the Director of the Division of Taxation; the Dean of the College of Agriculture, Rutgers, The State University; the Secretary of Agriculture; <u>the State Forester;</u> a municipal tax assessor, county assessor **[**,**]** or county tax administrator, who shall be appointed by the Governor with the advice and consent of the Senate; <u>a forester selected from the list of Approved Consulting Foresters maintained by the Department of Environmental Protection; a member of the public with demonstrated interest in government accountability and equitable taxation,;</u> and a farmer who is a current or former member of the State Board of Agriculture, who shall be appointed by the Governor with the advice and consent of the Senate. Each appointed member shall serve for a term of three years and may be appointed to successive terms. <u>The appointed members shall serve from the date of the original appointment for the aforementioned specified terms and until their respective successors shall be duly appointed and qualified.</u>

b. The committee shall meet [from time to time] no less than twice annually, either as the committee members may collectively determine or on the call of the Secretary of Agriculture or the Director of the Division of Taxation [and] the committee shall annually determine and publish a range of values for each of the several classifications of land in agricultural and horticultural use in the various areas of the State. The committee shall determine the ranges in fair value of such land based upon its productive capabilities when devoted to agricultural or horticultural uses. In making these annual determinations of value, the committee shall consider available evidence of agricultural or horticultural capability derived from the soil survey at Rutgers, The State University, the National Co-operative Soil Survey, and such other evidence of value of land devoted exclusively to agricultural or horticultural uses as it may in its judgment deem pertinent. On or before October 1 of each year, the committee shall make these ranges of fair value available to the assessing authority in each of the taxing districts in which land in agricultural and horticultural use is located.

c. The committee shall also conduct the review, required every three years, or sooner at the call of the Secretary of Agriculture or the Director of the Division of Taxation, of the minimum gross sales, payments, fees, and imputed income requirements, and anticipated yearly gross sales, payments, fees, and imputed income requirements, in order for land which is actively devoted to agricultural or horticultural use to be eligible for valuation, assessment and taxation under the provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.), as prescribed by section 5 of P.L.1964, c.48 (C.54:4-23.5), and [may raise] shall adjust the amounts of those minimums to such levels as the committee determines appropriate as authorized pursuant to section 5 of P.L.1964, c.48.

d. Within one year after the date of enactment of P.L.2013, c.43 (C.54:4-23.3d et al.), and every five years thereafter, the committee shall review the application form or forms for valuation, assessment and taxation of land in agricultural or horticultural use pursuant to P.L.1964, c.48 (C.54:4-23.1 et seq.), and provide any recommendations the committee may have thereon to the Director of the Division of Taxation.

e. One year after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), and annually thereafter, the committee shall prepare and submit, to the Governor, the State Board of Agriculture, and, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a written report describing the activities undertaken, setting forth any new findings and recommendations developed thereby during the preceding year, and providing any supplemental data and guidance or advice as the committee may deem appropriate.

(cf: P.L.2013, c.43, s.5)

5. (New section) a. The Division of Taxation in the Department of the Treasury shall design and implement an Internet-based application portal through which taxpayers may apply for valuation, assessment, and taxation under the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.). The Internet-based application portal designed and implemented pursuant to this section shall allow applicants to:

(1) identify:

(a) the parcels of land for which valuation, assessment, and taxation under P.L.1964, c.48 (C.54:4-23.1 et seq.) are sought;

(b) the owners of the parcels;

(c) the operator of a farm situated on the parcels, if different from the owner;

(d) whether the parcels are subject to a woodland management plan, pursuant to section 3 of P.L.1964, c.48 (C.54:4-23.3), or forest stewardship plan approved by the Department of Environmental Protection pursuant to section 3 of P.L.2009, c.256 (C.13:1L-31); and

(e) the crops being produced on the parcels;

(2) certify the gross sales derived from each crop being produced on the parcels;

(3) certify compliance with a woodland management plan or forest stewardship plan, if applicable;

(4) attach supporting documentation. in an electronic format, required for the proper execution of the State's farmland assessment laws, rules, regulations, protocols, standards, or procedures;

(5) certify the accuracy of the information submitted through the Internet-based application portal; and

(6) permit the tax assessor and, where applicable, the Department of Environmental Protection, to review the submissions for compliance with P.L.1964, c.48 (C.54:4-23.1 et seq.) and other applicable laws and regulations.

b. Notwithstanding the provisions of section 14 of P.L.1964, c.48 (C.54:4-23.14) or any law or regulation to the contrary, once an Internet-based application portal is made available pursuant to this section, applicants may utilize the Internet-based application portal to determine the eligibility of land for valuation, assessment, and taxation under P.L.1964, c.48 (C.54:4-23.1 et seq.) and to apply for valuation, assessment, and taxation under P.L.1964, c.48 (C.54:4-23.1 et seq.). Beginning August 1 of the second year following implementation of the Internet-based application portal, the Division of Taxation shall require that all applications for valuation, assessment, and taxation under P.L.1964, c.48 (C.54:4-23.1 et seq.) be submitted through the Internet-based application portal.

6. This act shall take effect immediately.

———————————

"Farmland and Woodland Tax Assessment Integrity and Investment Act."