

## REAL PROPERTY ASSESSMENT

## 501. Basis of Real Property Value

501.1 Statutory provisions. Every assessment of real property must be based upon some sort of appraisal. Numerous methods are available for appraising the value of real property. The selection of the proper method depends upon the purpose for which the appraisal is made. For example, the value of a property for insurance purposes may not be the same as the value for investment purposes. In appraising a property for the purposes of tax assessment, the appraisal must be made in accordance with the basis of real property value recognized by State law, as interpreted by the courts.

501.11 The standard of value. The State Constitution requires that real property must be assessed throughout the state according to the same standard of value. Statutes define the standard of value as the true value of the property. The statutes then go on to define true value as the price at which, in the assessor's judgment, each parcel of real property "would sell for at a fair and bona fide sale by private contract on October first next preceding the date on which the assessor shall complete his assessments. . ."

## REFERENCES:

Constitution of New Jersey, Art. VIII, Sec. 1, par. 1.  
N.J.S.A. 54:4-1, 54:4-2.25, 54:4-23.

501.12 Taxable value. In each county, the county board of taxation has the power, on or before April 1 of the pretax year, to establish some percentage of

true value between 20 and 100 per cent as the level at which real property will be assessed and must remain in effect for a period of not less than 3 years. The percentage selected must be in a multiple of 10 per cent. When this percentage figure applied to the true value of a property, the result is the taxable value of the property. Note that the selection of a percentage of less than 100 per cent does not relieve the assessor of any responsibility for finding the true value of every property. True value must be determined in every case, with the assessment representing the officially-declared percentage of true value. Once the percentage level is established, it remains in effect beyond the minimum three year period unless and until it is changed by the county board of taxation. If in the first instance a county board of taxation had refused or neglected to set a percentage level, the percentage level automatically became 50%. All twenty-one county boards of taxation have now selected 100% as the percentage of true value which assessments are to be expressed.

REFERENCES:

N.J.S.A. 54:4-2.25 to 54:4-2.27.

501.2 Judicial interpretations. The Constitution and the statutes provide some guidance for the assessor in establishing the bases of property valuation. Judicial interpretations of the statutes define further the methods which the assessor may use to arrive at a property value for tax purposes. The following principles have come to be generally accepted by the courts.

501.21 Willing buyer - willing seller. The courts have held that property must be assessed on the basis of the price, in terms of money, that it would bring in a private sale by an owner who is willing, but not forced to sell,

to a purchaser who is willing, but not forced to buy the property.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.

City of Newark v. West Milford Tp., Passaic County, 9 N.J. 295 (1952); 88 A.2d 211.

Gibraltar Corrugated Paper Co. v. North Bergen Tp., Hudson County, 20 N.J. 213 (1955); 119 A.2d 135.

501.22 Recognized approaches to value. Numerous judicial decisions have recognized the validity of three methods for estimating the value of a property for tax purposes.

(1) The Comparative Approach. This approach involves an analysis of the sale prices of comparable properties in an effort to establish the price which a subject property would sell for if it were put on the market.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.

In re Erie R. System, 19 N.J. 110 (1955); 115 A.2d 89.

(2) The Reproduction Cost Approach. This approach is based upon a determination of the cost of reproducing a replica of the building at current prices, and deducting from that cost a sum representing the depreciation or loss in value resulting from the fact that the subject building is not new, and finally adding the land value which is separately determined, to the depreciated value of the building.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.

Town of Kearny v. Division of Tax Appeals, 137 N.J.L. 634 (1948); 61 A.2d 208, affirmed 1 N.J. 409 (1949); 64 A.2d 67.

(3) The Income Approach. This approach requires an analysis of the income produced by a property in order to estimate the sum which a person might prudently invest in the purchase of the property.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.  
North Bergen Tp. in Hudson County v. Bergen Blvd. Holding Co.,  
133 N.J.L. 569 (1946); 45 A.2d 623.

The courts have pointed out on occasion that approaches to value other than the three listed above are known, but are not applicable to the problem of establishing property value for tax purposes. For example, the value of utility property, as determined for the purpose of establishing rates to be charged, may not be considered the same as the value for taxing purposes.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.  
Diorio v. Atlantic City Sewerage Co., 20 N.J. Misc. 105 (1942); 25  
A.2d 26.  
Borough of Haworth v. State Bd. of Tax Appeals, 132 N.J.L. 306 (1945);  
40 A.2d 353.

501.23 Approaches as indicators of value. While the courts accept the three approaches as indicators of value, they invariably point out that the result of a single approach, in itself, can never be accepted absolutely as the true value of a property. Wherever possible, all three approaches must be used and the final determination of value for tax purposes must be based upon the approaches as indicators, not determinants of value.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.  
Town of Kearny v. Division of Tax Appeals, 137 N.J.L. 634 (1948);  
61 A.2d 208, affirmed 1 N.J. 409 (1949); 64 A.2d 67.  
Aetna Life Ins. Co. v. City of Newark, 10 N.J. 99 (1952); 89 A.2d 385.  
City of Trenton v. John A. Roebling Sons Co., 24 N.J. Super. 213  
(1953); 93 A.2d 785.  
City of Passaic v. Gera Mills, 55 N.J. Super. 73 (1959); 150 A.2d 67.

501.24 Stability of value. In a number of instances the courts have indicated a belief that property value changes relatively slowly, and that values arrived at by one or more of the three approaches may not reflect the true value of the property. For example, in the comparative approach, where sales of comparable property are used to estimate a value for the property being assessed, abnormal market conditions of short duration have been held to bring about prices which do not really indicate the true value of the property. Similarly, abnormal construction costs or income conditions may cause these approaches to produce a value estimate for the property which the courts would not accept as indicating the true value.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.

City Holding Co. v. State Board of Tax Appeals, 127 N.J.L. 168 (1941); A.2d 289.

Harborside Warehouse Co. v. Jersey City, 128 N.J.L. 263 (1942); 25 A.2d 291, affirmed 129 N.J.L. 62 (1942); 28 A.2d 91, certiorari denied 63 S.Ct. 763, 318 U.S. 769, 87 L.Ed 1140.

City of Newark v. West Milford Tp., Passaic County, 9 N.J. 295 (1952); 88 A.2d 211.

In re Erie R. System, 19 N.J. 110 (1955); 115 A.2d 89.

501.25 Property valued in condition held. A property must be valued for tax purposes in the condition in which it is held by the owner on the assessment date. For example, an assessment would be considered invalid if it were based on the anticipation that a department store, at some time in the future might be divided into two buildings, each of substantially reduced value because of being incomplete. However, the courts have held in other cases that alternative uses to which the property might be put while in its present condition should be considered

in arriving at a value.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.  
Colwell v. Abbott, 42 N.J.L. 111 (1880).  
Borough of Haworth v. State Board of Tax Appeals, 127 N.J.L.  
67 (1941); 21 A.2d 309.  
L. Bamberger & Co. v. Division of Tax Appeals of Dept. of Taxation  
and Finance, 1 N.J. 151 (1948); 62 A.2d 389.

501.26 Presumption of correctness. The assessor may be relieved to find the courts invariably taking the position that an assessment, however arrived at, is valid until proven incorrect. The burden of proof initially is upon the "appellant" (see paragraphs 1103.43 and 1104.44).

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.  
Aetna Life Insurance Co. v. City of Newark, 10 N.J. 99 (1952); 89  
A.2d 385.  
Appeal of Kresge-Newark, Inc., 30 N.J. Super. 489 (1954); 105 A.2d  
12.

501.27 Assessments at the "common level." The courts have in the past ruled that in spite of the "true value" requirement of the law a dominant principal of equality of treatment and burden must prevail. No assessment may be sustained which is at a ratio to true value which is above the "common level" of all assessments in the taxing district. In the absence of other evidence, the courts have accepted the average assessment-sales ratio determined by the Director of the Division of Taxation for school aid purposes as the "common level" for the district.

More recently the Legislature by law established methods by which discrimination appeals are to be decided (see Section 1101.1 et seq.). A common level ratio for each municipality is published annually on April 1 by the Director of the Division of Taxation. A common level range or corridor is calculated at from 15% above to 15% below the common level so determined. Once the

hearing body (the county board of taxation, the Tax Court or the Appellate Division, Superior Court) in a discrimination appeal has determined the true value of the property under appeal, a ratio is struck between the assessed value of the property and the true value so determined. If the ratio so struck falls outside the common level range, or if the ratio so struck exceeds the county percentage level (see Section 501.12), the assessment of the property under appeal is adjusted by applying the common level to the true value as determined by the hearing body. In cases where the ratio so struck exceeds the county percentage level and where the common level also exceeds the percentage level, the revised assessment is determined by multiplying the true value fixed by the hearing body by the county percentage level. See Sections 1106.1 and 1107.1 for further information on tax appeal judgments at the common level

#### REFERENCES:

In re Appeals of Kents, Inc., 34 N.J. 21 (1961).  
William Kingsley, "The Kents Case - A Remedy for Assessment Inequality", New Jersey Municipalities, February, 1961, pp. 4-8.  
N.J.S.A. 54:2-40.4, 54:3-22, (c.123, P.L.1973).

### 501. 3 Approaches to Value

501.31 The Comparative Approach. The Comparative Approach makes use of the sale prices paid in actual sales of real property in an effort to arrive at an estimate of the value of the subject property if it were placed on the market. The method sometimes is called the Market Data or the Sales Approach. Two important points must be kept in mind when using the Comparative Approach:

- (1) The sales must be bona fide. That is, they must represent sales by a willing seller to a willing buyer. If, for any reason, the sale

is not considered bona fide, it should be disregarded. For example, a sale between two members of the same family probably would not reflect the true value of the property and should not be used for comparative purposes. A comprehensive list of non-usable types of sales has been prepared by the Local Property and Public Utility Branch for use in connection with the preparation of the Table of Equalized Valuations for State school aid purposes.

- (2) The sales must be of comparable property. If the property which has been sold differs in any substantial way from the property which is being appraised, adjustments must be made to compensate for the differences. Adjustments commonly are made for the date of the sale, to account for changing market conditions; the location of the property, to account for the relative desirability or undesirability of the of the neighborhood; and the type of construction of the buildings.

The Comparative Approach is particularly useful for the appraisal of land, where the adjustment of sale prices for differences is fairly simple. The adjustments which must be made for buildings can be much more difficult. The more specialized a structure, the less use can be made of the Comparative Approach in estimating its value.

#### REFERENCES:

Handbook, par. 501.22, 502.11, 503.3.

Real Property Appraisal Manual For New Jersey Assessors,  
pp. I-115 to I-118.

501.32 The Replacement Cost Approach. The Replacement Cost Approach uses current building costs, and current standards of material and design to arrive at an estimate of the cost of creating a building having the same utility as that of the property under consideration. An allowance then is



made for depreciation, so that the final value estimate will be applicable to the subject building. A value for the land is determined separately and added to the value developed for the building. This approach sometimes is known as the Summation Approach.

Current construction costs are available from a number of sources in terms of cost per square foot or per cubic foot for various types of construction. The Replacement Cost Approach frequently makes use of cost conversion factors which indicate the trend of building costs over a period of time and for different locations.

In order to facilitate the use of the Replacement Cost Approach, the Real Property Appraisal Manual for New Jersey Assessors has been issued by the Local Property and Public Utility Branch. The manual represents a complete compilation of real property cost data for New Jersey. All buildings and other kinds of real improvements are classified according to types and uses. The classes represent the most common types of properties found in the state. Each class is graded from the poorest construction of its kind to the best. A unit cost, usually on a square foot basis, has been computed for each type of property that the assessor may face, thereby eliminating a great deal of computation.

While the Replacement Cost Approach can be used for all types of structures, it is of no value by itself in valuing land. The assessor should note also that the cost of reproducing the building is not necessarily the current value of the building. Careful attention should be paid to the guides for estimating obsolescence and other forms of depreciation which are contained in the Real Property Appraisal Manual For New Jersey Assessors.

REFERENCES:

Handbook, par. 501.22, 503.2.

Real Property Appraisal Manual For New Jersey Assessors,  
pp. I-63 to I-112.

501.33 The Income Approach. The Income Approach requires an analysis of the income produced by a property in order to estimate the sum which might be invested in the purchase of the property. This approach to value is sometimes called the Capitalization Approach.

A detailed budgetary study must be made of the property. Gross annual income is either determined from actual figures or is estimated. Annual expense figures are obtained from the owner; rents, operating expenses, and fixed charges of the subject property are analyzed and adjusted. The expenses then are subtracted from the gross income. The resultant net income is capitalized at an interest rate which the investor in the property can expect as a reasonable return. The capitalized value of the net income represents the present value of the property by this approach.

By law, the assessor may require the owner of income-producing property to furnish income data. If the owner refuses, or if a false statement is given, the assessor may value the property at that amount which he has reason to believe it may be worth.

The Income Approach is a complicated and advanced technique and should be used for assessment purposes only after a thorough understanding of the approach has been gained. Its primary use, of course, is in the appraisal of income-producing properties, such as stores, apartment houses, and other cases where the property itself produces the income.

In using the Income Approach, the assessor must be sure that the income utilized can be traced strictly to the property, itself, and not to the business which is conducted on the premises.

REFERENCES:

N.J.S.A. 54:4-34.

Handbook, par. 501.22, sec. 503.4, par. 503.42.

Real Property Appraisal Manual For New Jersey Assessors, pp. I-119 to I-129.

501.34 Limits of value. All three approaches to value should be used whenever possible. The market value of a property usually will be found somewhere between the highest and lowest figures obtained from the three approaches. The range between the high and low estimates is known as the Limits of Value.

502. Land Assessment

502.1 Approaches to Value.

502.11 Comparative approach. The comparative approach is commonly used in the valuation of land. Sales of comparable parcels of land are analyzed and used to estimate the value of other parcels which have not been sold. A major difficulty encountered in this approach is that, in many instances, there will not be enough sales of land which are comparable in location, date of sale, and condition of land. In such cases, the sales which are available must be adjusted so that they will give a valid indication of the land value of the property being assessed.

REFERENCES:

Handbook, par. 501.22, 501.31.

502.12 Allocation. At times it may be impossible to find comparable sales of vacant land or sales which can be adjusted satisfactorily. This is

particularly true in central business districts and in other built-up areas. Here, an allocation method sometimes is used. In the allocation method the value of the entire property is estimated by the Income or Comparative Approach, the value of the structure on the land is found by the Replacement Cost Approach and is deducted from the total value, and the remaining amount is assumed to be the value of the land. A discussion and an example of a land residual technique is presented in the Real Property Appraisal Manual For New Jersey Assessors.

REFERENCES:

The Appraisal of Real Estate, Sixth Edition, American Institute of Real Estate Appraisers, Chicago, Illinois, p. 135.

502.13 Land residual technique. When the value of the building on an income producing parcel of real estate is either known, or can be estimated with accuracy, and represents the highest and best use of the land, the land residual technique may be used to develop a value for the land. This method is of particular importance where there are no unimproved land sales to support the land value. In this technique the amount of net income imputable to the building portion of the property is subtracted from the overall net income. The remaining income is considered to be imputable to the land portion of the property. The portion of the net income imputable to the land is then capitalized into a value for the land by employment of a proper capitalization rate.

REFERENCES:

Property Assessment Valuation, International Association of Assessing Officers, Chicago, Illinois, 1977, p. 263.

Real Property Appraisal Manual For New Jersey Assessors, pp. I-124 and 125.

502.2 Description and identification of land. Two systems of land description

and identification are used in New Jersey: metes and bounds, and block and lot numbers.

502.21 Metes and bounds. Metes and bounds descriptions of land represent the results of the surveyor's work. Some spot on the boundary of a property is located by measuring its distance and direction from a known starting point. The surveyor then makes a circuit of the property boundaries, recording the starting point. An example of a metes and bounds description is shown as EXHIBIT V-1.

502.22 Block and lot numbers. Block and lot numbers are used to describe and identify land where a tax map has been approved, particularly in urban areas. Each block bounded by public roads is assigned a block number. Within the block each individual parcel of land is assigned a lot number. Reference to these two numbers will serve to identify and describe any parcel of land as it is shown on the tax map.

502.23 Tax maps. State law requires that every municipality, except townships with a population of less than 2,500, must have a tax map. Townships with fewer than 2,500 inhabitants may prepare a tax map; it is recommended that they do so. The tax map is one of the most important assessment records. Without such a map it is almost impossible for the assessor to be sure that he is assessing all of the taxable land within his municipality. In some cases where maps have been drawn for the first time, substantial areas never before assessed have been located and placed on the tax rolls.

#### REFERENCES:

N.J.S.A. 40:146-27 to 29, 54:1-15.

Local Property Tax Bureau News, March, 1953; p. 1; January, 1956, p. 1; November, 1956, p. 2; August-September, 1958, p. 2; October, 1958, p. 2.

- (1) Information shown on tax maps - The tax map is drawn to scale and shows the outlines and dimensions of every parcel of land in the taxing district. Some method for identifying each plot must be included. Other data, such as street numbers, public utilities, names of property owners, and buildings, may be placed on the map if they do not create difficult problems in keeping the map up-to-date. Illustrations of typical rural, suburban and urban tax maps are shown as EXHIBITS V-2, V-3 and V-4.

REFERENCES:

Tax Map Specifications, (Public Utility Tax Bureau, State of New Jersey,) p. 1.  
Real Property Appraisal Manual For New Jersey Assessors, pp. I-11 & I-12.

- (2) Approval of tax maps - By State law, the Director of the Division of Taxation is given full control over the preparation, maintenance, and revision of all tax maps. In order to implement this power, the director has issued Tax Map Specifications, which are available from the Local Property and Public Utility Branch, Division of Taxation Building, West State and Willow Streets, Trenton. All new tax maps must conform to these specifications and must be submitted to the Local Property and Public Utility Branch for approval. Certification by the Branch merely indicates that the information shown on the map is presented in accordance with the specifications. The Branch is not in a position to check the details of the map accuracy. All new tax maps must be prepared under the supervision of a licensed New Jersey land surveyor.
- (3) Filing of tax maps - On or before January 1 of the year following the year in which a tax map is approved, the taxing district must file a

duplicate of the map with the county clerk or the county register of  
of deeds.

REFERENCES:

N.J.S.A. 54:1-15.

Tax Map Specifications.

Local Property Tax Bureau News, March, 1953, p.1; April, 1959, p. 2.

- (4) Maintenance of tax maps - It is essential that tax maps be kept up-to-date. New subdivision plats should be entered on the map as soon as they are approved. Provisions should be made by the municipal governing body for the maintenance of the tax map. In some communities the municipal engineer is charged with the responsibility for maintaining the tax map. Regardless of where the maintenance responsibility is placed, however, the assessor should be familiar with the construction of the map and with its use.
- (5) Financing a tax map - The initial preparation of a tax map is an expensive, but necessary, undertaking. State law permits the municipality to finance the cost of a tax map over a five-year period.

REFERENCES:

N.J.S.A. 40A:4-53 to 55.6.

Local Property Tax Bureau News, November, 1956, p. 2.

- 502.3 Sources of land value information. The best sources of land value information are bona fide sales of land which are comparable in location, condition, and date of sale. Other information which may be gathered includes asking prices for land placed on the market, offers for the purchase of land, opinions of informed persons, and income and construction cost data for use in land residual techniques. Information on sale prices may be obtained from abstracts of deeds, from inquiries directed to the seller or buyer of land, or from SR-1A forms used in

the state-wide tax equalization program.

502.31 Abstracts of deeds. The county clerk or register of deeds is required by law to mail to the assessor an abstract of the deed of every property for which a change of ownership has been registered. Abstracts of deeds are useful to the assessor in three ways:

- (1) The abstract shows the names of the old owner and the new owner of the property, a description of the property, and the date on which the transfer took place.
- (2) The legal description and the block and lot numbers of the property contained in the abstract provides the assessor with a check on the accuracy of the description used by the assessor. Abstracts of deeds make up one of the principal "raw materials" used in the construction of a tax map. The assessor should investigate carefully whenever the property description contained in the deed appears not to conform with the outlines of the property on the tax map. Where it appears that a portion of a property may have been sold without a valid subdivision having been granted by the planning board, the assessor should bring this fact to the attention of the municipal governing body so that appropriate action may be taken.
- (3) The abstract gives the assessor an indication of the price for which the property has been sold. By state statute every deed recorded by a county recording officer must contain a statement of the consideration paid including the amount of any already existing mortgage assumed by the purchaser. Also a realty transfer fee must be paid on the entire purchase



price at a rate of \$1.75 for each \$500 of consideration. The fee is imposed upon the grantor, and is required to be paid when the deed is presented for recording. Certain sales are exempt or partially exempt from the realty transfer fee, therefore the amount of the realty transfer fee may not always be a true indication of the sale price of the property. Where the sale price, as indicated in the deed appears to be out of line based on other information available to the assessor, further inquiry should be made of the seller or the purchaser or both.

REFERENCES:

N.J.S.A. 54:4-31.

Local Property Tax Bureau News, March, 1955, p. 1; May, 1955, p. 2.

N.J.S.A. 46:15-5 et seq.

502.32 SR-1A Forms. As a part of the equalization program carried on for the purpose of distributing State aid to local school districts, SR-1A forms which summarize the sales data from deed abstracts are filled out for each sale by the county board of taxation and forwarded to the assessor. The copy of this form retained by the assessor is useful as a convenient means of recording sales data.

REFERENCES:

Handbook, par. 1002.31 to 1002.34.

502.33 Questionnaires. Some assessors follow the practice of sending questionnaires to the purchasers of every property which has been sold. This is a particularly useful device where the sale price stated in the deed or indicated by the realty transfer fee shown on the deed appears to be unusual, based upon the assessor's knowledge of the

property and the area. A questionnaire also may uncover evidence that other sales which appear valid may not actually be bona fide. An example of a questionnaire used by the Local Property and Public Utility Branch in the state-wide tax equalization program is shown as EXHIBIT V-5.

#### 502.4 Valuation of Land

502.41 Unit land values. Unit land values are developed in order to provide a simple and uniform measurement of value which may be applied to all properties in a stated location. Two types of unit are used, the value per unit of area and the value per front foot:

- (1) Area units - For some types of use, land may most easily be appraised in terms of its value per unit of area, such as the value per acre or per square foot. This method is applicable wherever it is assumed that, within the parcel, every piece of land has the same value as every other piece, regardless of its location. For example, farmland usually is valued in terms of dollars per acre for each type of soil; the location of the land within the farm has little bearing on its value. In the same way, industrial land frequently is assigned a value per square foot of area; each square foot is considered to have the same value for industrial purposes as every other square foot.
- (2) Front foot units - The front foot unit of land values is used wherever it is assumed that, within a single parcel, the value of the land will vary depending upon its location on the plot. For example, in commercial and residential areas the land at the front of the parcel, having ready access to the street, usually is considered more valuable than the rear portion of the parcel. In order to develop a

front foot value, a standard depth is assumed and all land value data is tabulated on the basis of lots of that depth. Standard depth tables have been prepared showing the variation in value as the depth of the lot increases.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. I-31 to I-62.

502.42 Land value maps. After unit land values have been determined, they may be indicated on a land value map. This data may be added to the tax map if it will not interfere with the normal use of the map. In many cases a more desirable method would be to prepare a separate land value map. Such a map will not need to be drawn to scale. Suggestions for the construction of a land value map will be found in the Real Property Appraisal Manual For New Jersey Assessors. Assessment-sales ratio data reported on SR-1A forms in connection with the state-wide tax equalization program will be very valuable to the assessor in keeping the land value map up-to-date.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, p. I-10. Handbook, par. 502.32.

502.43 Urban land valuation. In many cases the value of urban land can be estimated on the basis of set rules and procedures. The Real Property Appraisal Manual For New Jersey Assessors provides a full set of land value rules and illustrations of calculations for urban lots of irregular shape and size. Adjustments are suggested for such factors as corner influence and alley influence. The rules may be used:

- (1) to establish unit front foot values on the basis of sales data, and

- (2) to apply the established unit front foot values to lots in order to estimate the value of the property.

In using the land valuation sections of the Real Property Appraisal Manual For New Jersey Assessors, the assessor should remember that the adjustments suggested are merely guides as to procedure. The adjustments actually to be made should be determined on the basis of conditions in each community.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. I-43 to I-56.

502.44 Rural land valuation. Acreage in rural areas must be valued for taxation on the basis of the existing market, unless the owner has applied for special tax treatment under the Farmland Assessment Act. Even where the land qualifies under this Act, which permits assessments based only upon the land's agricultural value, the assessor must be able to establish the market value including the prospective value for subdivision purposes and other development, in order to be able to assess the "roll-back" taxes which will be due if the use of the land changes. Guides for valuing rural land will be found in the Real Property Appraisal Manual For New Jersey Assessors. Each guide must be examined to meet local conditions.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-23.1 et. seq.

Colwell v. Abbott, 42 N.J.L. 111 (1880).

Real Property Appraisal Manual For New Jersey Assessors, pp. I-33 to I-42.

Handbook, sec. 504.1 to 504.7.

502.45 Rurban land valuation. Rurban land lies in the area between heavily populated urban areas and the sparsely inhabited rural areas.

It is characterized by elements of both areas. Some farming is done, but usually only for household use and it is not pursued on a full-time basis. The size of the tracts are larger than the lots of an urban area, but too small to support a family on farming alone. Guides are available in the Real Property Appraisal Manual for New Jersey Assessors for the valuation of rural land.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. I-59 to I-62.

503. Building Assessment

- 503.1 Approaches to value. Wherever possible, all three approaches to value should be used in the valuation of every property. Residential and farm properties usually are appraised through the use of the Replacement Cost Approach and the Comparative Approach. If information is available, the assessor may also consider using the Income Approach. More frequent use is made of the Income Approach in the valuation of commercial and industrial properties.

REFERENCES:

Handbook, par. 501.23.

- 503.2 The Replacement Cost Approach. The Replacement Cost Approach is defined as estimating the cost of creating a building having the same or equivalent utility as the subject building, as nearly as current prices and current standards of material and design will allow.

REFERENCES:

Handbook, par. 501.22, 501.32.

The Appraisal of Real Estate, American Institute of Real Estate Appraisers, 1977 p.215.

503.21 Unit construction costs. In order to figure the construction cost of any structure, the assessor must have some knowledge of present building costs. The construction cost usually is expressed as a unit cost per square foot of building area or per cubic foot of building volume. The principal source of unit construction cost figures for the New Jersey assessor is the Real Property Appraisal Manual For New Jersey Assessors, issued by the Local Property and Public Utility Branch. The Manual provides a variety of unit construction cost figures based on a wide range of building characteristics, such as building use, quality of construction, type of materials used, number of floors, and size of floor area. For example, the cost of constructing an average grade, wood frame, two-story, single-family dwelling, with 1,000 square feet of floor area, is given in the Manual as \$30.15 per square foot of ground floor area. Additional tables are provided to adjust the basic unit cost figures through additions or deductions for special building features which are above or below the requirements of the basic specifications for a particular class of building.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. II-17.

503.22 Cost conversion factors. The unit cost figures contained in the Manual, which are for October, 1975, are kept up-to-date with annual cost conversion factors distributed by the Local Property and Public Utility Branch. A cost conversion factor provides an adjustment to bring the basic cost figures in the Manual into line with building costs for a specific year in a specific area. For example, the October, 1979 cost conversion factor for a wood frame residence situated in Middlesex County is 1.35. In the case of the building described in paragraph 503.21,

the unit construction cost in the Perth Amboy area for 1979 for this type of building would be 1.35 times \$30.15, or \$40.70.

While the Manual and the cost conversion factors have been prepared carefully, the assessor should make periodic checks of actual construction costs in his area. Records of buildings completed may be examined to determine unit costs; local architects and builders may be consulted for their opinions of building costs. If necessary, the assessor should develop his own adjustment or cost conversion factor to bring the Manual into line with the actual local costs.

#### REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. II-3; II-157.

503.23 Depreciation. Depreciation is the loss in value from all causes in any structure. There are three principal types of depreciation:

- (1) Physical Depreciation - Physical depreciation or deterioration is the loss in value which results from the aging process. All objects decline in value due to the wear and tear of age or constant use. Proper maintenance may lessen the rate of loss, but will never completely stop physical depreciation.
- (2) Functional Obsolescence - Functional obsolescence is the loss in value, over and above physical depreciation, which is caused by factors within the subject property. The steady pace of progress frequently makes the functional design of one era less valuable than that of a later era. For example, an eight-story office building without an elevator probably would suffer from functional obsolescence. Even though well-maintained, the value of the building undoubtedly

would decline because rental of the upper stories would be very difficult.

- (3) Economic Obsolescence - Economic obsolescence is the loss in value, over and above physical depreciation, which is caused by factors outside the subject property. Changing neighborhood characteristics and the presence of undesirable property uses will contribute to economic obsolescence. For example, an apartment house located near a sewage disposal plant might suffer from economic obsolescence if the plant frequently gave off unpleasant odors.

The Real Property Appraisal Manual For New Jersey Assessors provides guides for the assessor in arriving at estimates of physical depreciation and various forms of functional and economic obsolescence. Wherever possible, the results obtained by using these guides should be checked against local data.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. I-101 to I-113.

503.24 Steps in the use of the Real Property Appraisal Manual For New Jersey Assessors. The following five steps, if followed uniformly, will help in the use of the Manual:

- (1) Measure the subject property. All measuring should begin at the right corner of the building and proceed around it in a clockwise direction until the point of beginning is reached again. Measure all indentations and protrusions as they appear.
- (2) Inspect the subject property, recording building data on a property



record card. Sample property record cards are provided in the Manual and are reproduced here as EXHIBITS V-6 and V-7. This is the time to make special building notes, such as the age of the property, any major alterations, the approximate cost, and the date of their completion.

- (3) Classify the building according to type and grade as indicated in the Manual. This is the most important step in using the Manual; it requires sound judgment on the part of the assessor. A comparison of the descriptive data on the property record card of the subject property with the base specifications listed in the Manual for each class of property will aid in the classification of real property. However, while the classification selected should be one which will require a relatively small number of additions and deductions due to the variations of the subject property from the base specifications, the assessor should also be guided by such elements as the quality of materials used in construction and the quality of original workmanship. The present physical condition of the building is not a factor in determining classification. Any loss in value due to poor physical condition should be covered by adjustments under depreciation, not by a change in building classification.
- (4) Complete the calculations: including determination of areas; cubic contents if necessary; unit construction costs; additions and deductions; and depreciation and obsolescence. This step normally is completed in the assessor's office, while the first three steps are field procedures.

- (5) Review the final appraised value of the property by checking it against available sales. A re-inspection of the property also will be helpful.

Following these five steps in the order listed will enable the assessor to obtain maximum performance from the Manual. Further instructions for the use of the Manual will be found in the introductory sections of the Manual.

REFERENCES:

Real Property Appraisal Manual For New Jersey Assessors, pp. I-63 to I-100.

- 503.3 The Comparative Approach. The Comparative Approach attempts to find value through a comparison of the subject property with similar properties which have been sold for a known sum of money.

REFERENCES:

Handbook, par. 501.22, 501.31.

- 503.31 Sources of information. The sources of information described for finding the value of land also are useful in establishing the sales prices of properties. Abstracts of deeds, SR-1A forms, and questionnaires are of considerable value in obtaining and verifying sales data.

REFERENCES:

Handbook, par. 502.31, 502.32, 502.33.

- 503.32 Adjustment of sales data. The most important requirement of the Comparative Approach is that the building compared really must be comparable or must, by adjustment, be made comparable. In almost every case some adjustments must be made for the following factors:

- (1) Condition of property - Except in the case of identical new structures, it is doubtful that any two buildings will be found exactly

alike and in exactly the same condition of preservation. Adjustments must be made for differences between the structures for which sales data is available and those which are being appraised. The Real Property Appraisal Manual For New Jersey Assessors may be of some assistance by enabling the assessor to adjust sales prices and thus make the sales data applicable to the subject buildings. For example, if a structure, which has been sold for \$45,000, is exactly like the subject building except for a different type of heating system, the presence of an enclosed porch, and a somewhat greater degree of physical depreciation, adjustments for these features could be developed from the market and from judicious use of cost data in the Manual.

- (2) Date of sale - Changing market conditions may affect the value of property. If the sale has not taken place recently, some adjustment must be made for the changing market. Cost conversion factors developed for use with the Real Property Appraisal Manual For New Jersey Assessors may be useful as well as a comparison of ratio's from the year of the sale to the year of valuation in adjusting the dollar value of sales which have occurred at different periods of time. However, the assessor must remember that the cost conversion factors deal only with construction costs. The value of land may vary over a period of time in quite a different pattern from that shown by construction costs.

REFERENCES:

Handbook, par. 503.21, 503.22, 503.23.

- 503.4 The Income Approach. The Income Approach searches for value in terms of the amount which a person might prudently invest in a property.

Normally, the Income Approach provides an estimate of the value of an entire property, including land and building together, with the apportionment of the final value between these two forms of property being made after a total value has been estimated.

REFERENCES:

Handbook, par. 501.22, 501.33.

503.41 Sources of information. By law, the assessor may require the owner of income-producing property to furnish income data. If the owner refuses, or if a false statement is given, the assessor may value the property at the highest value which he has reason to believe it may be worth. Requests also may be made of tenants, renting agents, and realtors. In cases of an appeal to a county board of taxation involving a commercial or industrial property or a multi-unit dwelling (more than four families), an itemized statement showing all sources of income and expenses for at least the most recent accounting year must be submitted with the petition of appeal. In every case, the data obtained should be analyzed carefully in order to make sure that it will provide a valid indication of the property value.

REFERENCES:

Handbook, par. 501.33.

N.J.S.A. 54:4-34.

Rules For County Boards Of Taxation, 18:12A-1.8.

503.42 Steps in the Income Approach. A number of detailed procedures can be followed in using the Income Approach. The following is a generalized description of the steps usually involved:

- (1) Determine the gross income of the property. If there is any reason to believe that the actual current gross income does not

represent a true picture of the future earning capacity of the property, a stabilized estimate of gross income should be used.

- (2) Establish the effective gross income by deducting an allowance for vacancies and credit loss (unpaid rents) from the gross income.
- (3) Find the net income by deducting allowable operating expenses from the effective gross income. In analyzing expense statements, the assessor must exercise great care. Statements sometimes will include expense items which are not allowable in the Income Approach. In other cases, the expenses listed may be higher or lower than should normally be expected. If this appears to be the case, only the reasonable expense figure should be used.
- (4) Capitalize the net income to arrive at a value for the property. Several methods of capitalization are available; the selection of a particular method depends largely upon the characteristics of the future income expected from the property.

#### 504. Farmland Assessment

504.1 The owner of any land devoted to agriculture or horticulture may apply to have the land assessed for property tax purposes on the basis of its value for these uses, rather than on the basis of the market value of the land for any other use. The Farmland Assessment Act of 1964 and regulations issued by the Director of the Division of Taxation provide the basic rules for the assessment of such land.

#### REFERENCES:

Constitution, Art. VIII, sec. 1, par. 1 (b).  
N.J.S.A. 54:4-23.1 et seq.

Regulations Farmland Assessment Act (N.J.S.A. 54:4-23.1 et seq.), Chapter 48, Laws of 1964 (Trenton: Local Property and Public Utility Branch, Division of Taxation, Department of the Treasury, State of New Jersey, August 1, 1978); Hereafter referred to as Farmland Reg.

504.2 Eligibility. In order to qualify for assessment under this law, the following conditions must be met:

- (1) The applicant must own the land in question - see paragraph 504.21.
- (2) The land must be devoted to agricultural or horticultural uses -- see paragraph 504.22.
- (3) The land must have been devoted to such uses for at least two years prior to the tax year -- see paragraph 504.23.
- (4) The land must consist of at least 5 acres -- see paragraph 504.24.
- (5) Gross sales of products from the land must total at least \$500 per year for the first 5 acres, plus \$5.00 per acre for each acre over 5, except in the case of woodland or wet land where the income requirement is .50 per acre for any acreage over 5 -- see paragraph 504.25.
- (6) The owner must apply for the benefit of Farmland Assessment Law -- see paragraph 504.27.
- (7) The owner must represent that the land will continue in agricultural or horticultural use to the end of the tax year for which application is made.

504.21 Ownership. The applicant for assessment under the Farmland Assessment Act must be the owner of the land as of the date of the application, on or before August 1 of the pretax year. If title to a property changes hands after the application has been filed for a given

tax year, it is not necessary for the new owner to file a new application, so long as no change in the conditions of use is expected. The assessor may require the applicant to show proof of ownership.

REFERENCES:

N.J.S.A. 54:4-23.13.

Farmland Reg. 18:15-2.1, 18:15-3.1, 18:15-3.2, 18:15-3.3, 18:15-3.4, 18:15-3.5.

504.22 Agricultural or horticultural use. In order to qualify for assessment under the Farmland Assessment Act, land must be devoted to agricultural or horticultural use.

Agricultural use is defined as the production for sale of plants and animals useful to man, including but not limited to the following:

forages and sod crops;

grains and feed crops;

dairy animals and dairy products;

. poultry and poultry products;

livestock, including beef cattle, sheep, swine, horses, ponies,

mules or goats, including the breeding and grazing of any

or all such animals;

bees and apiary products;

fur animals;

trees and forest products.

Horticultural use is defined as the production for sale of the following:

fruits of all kinds, including grapes, nuts and berries;

vegetables;

nursery, floral, ornamental or greenhouse products.

Any or all of the above agricultural or horticultural uses may serve to qualify land for assessment under the Farmland Assessment Act, provided that one of the following conditions is met:

- (1) The crops or forest products are grown for market, either retail or wholesale;

OR

- (2) the cover crops are grown as a part of a regular crop rotation program;

OR

- (3) the crops or forest products are grown for on-farm use (but not including vegetables, fruits, and like products which are grown for on-farm personal consumption);

OR

- (4) the products of the animals, or the animals themselves, which are maintained, pastured, or ranged, are produced for market, either retail or wholesale.

In addition, the land may qualify for the Farmland Assessment Act if:

- (1) it has qualified for payments under a Federal soil conservation program, such as the Soil Bank;

OR

- (2) it consists of woodland forming a reasonable portion of a farm which qualifies under some other agricultural or horticultural use.

The assessor may require the applicant to show proof of agricultural or horticultural use.



REFERENCES:

N.J.S.A. 54:4-23.3, 54:4-23.4.  
Farmland Reg. 18:15-1.1, 18:15-6.2.

504.23 Duration of use. Land must have been devoted actively to agricultural or horticultural use for at least two consecutive years prior to the tax year for which the application of the Farmland Assessment Act is claimed. For example, in order to qualify for the tax year 1980, the land must have been devoted to such uses for all of the calendar years 1979 and 1978. In addition, in applying for Farmland Assessment under the law, the owner of the property must indicate his intention that the land will continue to be used for these purposes until the end of the tax year for which the application is being filed. The assessor may require the applicant to show proof of the duration of agricultural or horticultural use.

REFERENCES:

N.J.S.A. 54:4-23.2, 54:4-23.6.  
Farmland Reg. 18:15-3.1; 18:15-3.4.

504.24 Area of Land. At least 5 acres of land must be included in one ownership in order to qualify under the Farmland Assessment Act. It is not necessary that the land all be in one tax map parcel, so long as it is contiguous and in one ownership. The presence of a public right-of-way separating portions of the land does not serve to make the land non-contiguous. In the case of non-contiguous parcels of land, an application must be filed for each parcel, and each parcel, in and of itself, must meet all requirements of the Act to be eligible. Non-contiguous parcels may not be aggregated to meet the 5-acre requirement. If the land is located in more than one taxing district, it is eligible for assessment under this law, so long as it is contiguous and in one

ownership and meets all other requirements.

In calculating the land area eligible under the Farmland Assessment Act, all land under agricultural or horticultural buildings, such as barns, sheds, silos, cribs, and greenhouses, and all land under lakes, dams, ponds, streams, irrigation ditches, and similar facilities shall be included.

However, land under the farmhouse and such additional land actually used in connection with the farmhouse, such as land used for lawns, flower gardens, shrubs, swimming pools, tennis courts, and similar purposes, shall not be included. Land used for these purposes must be assessed in the same manner as any other land in the taxing district. The assessor may require the applicant to show proof of the area of the land involved.

#### REFERENCES:

N.J.S.A. 54:4-23.11, 54:4-23.12, 54:4-23.18.

Farmland Reg. 18:15-3.2, 18:15-4.4, 18:15-5.1, 18:15-13.1.

504.25 Gross sales. In order to qualify under the Farmland Assessment Act, the use of the land must have resulted in gross sales of agricultural or horticultural products or payments under a soil conservation program of at least \$500 per year for the first five acres during the two years immediately prior to the tax year. Any acreage over five must show average sales of at least \$5.00 per acre on agricultural land and \$0.50 per acre on woodland or wetland. If this is not the case, there must be clear evidence of an anticipated \$500 yearly gross income sale of such products from the first five acres and \$5.00 per acre on any farmland acreage over 5, and \$0.50 yearly gross sales per acre on

any woodland or wetland over the first 5 acres within a reasonable period of time. The judgment of anticipated gross sales is to be made on the basis of the nature and characteristics of the land and from the productivity plans of the owner or occupant. The assessor may require the applicant to show proof of gross sales of agricultural or horticultural products, or of production plans.

REFERENCES:

N.J.S.A. 54:4-23.5

Farmland Reg. 18:15-6.1, 18:15-6.3

504.26 Woodland. With ordinary agricultural operations such as a cropland farm or a livestock farm there is a management or operational activity which an assessor ordinarily can see taking place over the course of a year. This does not apply, however with many woodland tracts of land. Much litigation has taken place over the qualification of woodland for farmland assessment. Some guidelines have become manifest as a result of the litigation. Three groups of woodland emerge: 1.) self-qualifying woodland or acreage completely composed of woodland which clearly qualifies for farmland assessment, meeting all statutory requirements in respect to income, acreage, years in agriculture, etc., or is a woodland portion of a farm that of itself, as woodland, meets the statutory requirements; 2.) Appurtenant woodland, or those woodlands which do not contribute income to a crop or livestock farm, but do contribute benefits to the farm such as lumber or fencing for on farm use, protection from wind and from erosion, or woodland buffer areas for the farm from neighbors; 3.) Vacant Woodland, which represents woodland which is not appur-

tenant to a working farm and upon which there is no qualifying agricultural activity.

Court cases indicate woodland owners whose acreage is all woodland as described in groups 1 and 3 above need a management plan so they can show farmland assessment requirements are being met on a continual basis. Incidental income from woodland areas may not form a basis for qualification for farmland assessment where the owner from time to time occasionally derives incidental income from sale of woodland or forest products. It may be concluded that good intention toward meeting the statutory requirements for farmland assessment for the woodland must be established. A management plan drawn up by a professional forester gives weight to the intent of the landowner towards meeting the statutory requirements for entitlement to farmland assessment. Income derived from such a plan would be removed from the category of incidental income.

Many cropland or livestock farms contain areas of woodland which although they produce little or no income of themselves are nevertheless a normal adjunct to producing cropland or livestock acreage (group 2 above). Woodland appurtenant to land in agricultural or horticultural use and reasonably required for the purposes of maintaining the land in such use is considered eligible for farmland assessment. The extent of this type of woodland which would reasonably be required to maintain adjoining acreage in agricultural or horticultural use and would thereby qualify for farmland assessment would require an exercise of judgment on the part of the applicant as reported on the FA-1

application form, subject of course, to review and approval or revision by the assessor.

Just as a cropland or livestock farm left vacant with no activity could lose qualification for farmland assessment, so vacant woodland (group 3 above) upon which there is no management plan or planned activity may very well fail to qualify for farmland assessment.

REFERENCES:

N.J.S.A. 54:4-23.3, 54:4-23.4.

Farmland Reg. 18:15-6.2(6).

The Woodland Issue In Farmland Assessment Appeals, John M. Hunter, Cook College, December, 1977.

504.27 Application. An owner who wishes to include his land under the provisions of the Farmland Assessment Act must apply annually, on or before August 1 of the pretax year, or not later than December 1 of the pretax year where a revaluation is to become effective and placed on the tax list for the tax year for which application is made (see Section 504.3 below). Only one application form in triplicate is to be filed for each farm made up of contiguous land.

An assessor may grant an extension of time for filing an application for farmland assessment to September 1 of the pretax year where it appears to the satisfaction of the assessor that the applicant failed to file by August 1 due to illness, or death of the owner an immediate member of the owner's family. In the case of illness, a physician's certification of illness stating that the owner was physically incapacitated and unable to file by August 1 must be submitted to the assessor.

In the case of death of the owner or an immediate member of the owner's family, a certified copy of the death certificate must be submitted by the owner or the individual legally responsible for the estate of the owner, as the case may be.

An eligible applicant granted an extension to file no later than September 1 of the pretax year by an assessor shall file an application for farmland assessment (Form FA-1) and attach the appropriate physician's certification or certified death certificate to such application.

REFERENCES:

N.J.S.A. 54:4-23.6; 54:4-23.13a.

Farmland Reg. 18:15-2.1; 18:15-2.4; 18:15-2.5; 18:15-3.2.

FA-1 Form Application, instructions.

504.3 Procedure for claiming farmland assessment.

504.31 Form FA-1. The owner or owners of land used for agricultural or horticultural purposes may apply for assessment of the land under the Farmland Assessment Act by filing Form FA-1, which is shown as EXHIBIT V-8. Copies of the form must be supplied by the taxing district.

REFERENCES:

Farmland Reg. 18:15-2.2.

Supplementary - Form WD-1

The owner of non-appurtenant woodland, in addition to filing Form FA-1, must also file a woodland data form (WD-1), which is shown as EXHIBIT V-9. Form WD-1 must be supplied by the taxing district.

REFERENCES:

N.J.S.A. 54:4-23.3

Farmland Reg. 18:15-2.7.

504.32 Filing of forms. Form FA-1 must be filed annually with the tax assessor on or before August 1 of the year preceding the year in which Farmland Assessment is sought. If farmland assessment qualification is being sought for non-

appurtenant woodland, an applicant must also file supplementary form WD-1. Applicants subject to filing the supplementary form must also submit a copy of their completed FA-1 Form and all other information to the Division of Parks and Forestry (see Section 504.27). In cases where a revaluation is to be placed on the tax list for the year for which farmland assessment is applied, the assessor may accept FA-1 applications up to December 1 of the pretax year. In cases of illness of the owner, or death of the owner or a member of the owner's immediate family, an extension to file by September 1 of the pretax year may be granted by the assessor. Where the land is owned by an individual, the application should be signed by the owner. In the case of multiple ownership, any one of the co-owners may sign, except in cases of corporate ownership the application must show the full name of the corporation, and must be accompanied by the signature and title of a corporate officer authorized to sign for the corporation. The application form includes a certification that all facts contained therein are true, and has the effect of a sworn statement. The assessor may require that proof be submitted of ownership, property description, area of land, use of land, and gross sales of agricultural or horticultural products.

REFERENCES:

N.J.S.A. 54:4-23.6; 54:4-23.13; 54:4-23.13a; 54:4-23.14.  
Farmland Reg. 18:15-2.2; 18:15-2.3; 18:15-2.4; 18:15-2.9.

504.33 Withdrawal of application. An application, once filed, may be withdrawn up to August 1 of the pretax year. It may not be withdrawn after August 1.

REFERENCES:

N.J.S.A. 54:4-23.13.  
Farmland Reg. 18:15-3.3.

504.34 Disposition of forms. The Assessor should maintain complete files of all approved and disapproved applications for the Farmland Assessment Act, together with any documentary proofs submitted. It is essential that the complete records exist in order that the rollback tax may be calculated accurately and

fairly (see Section 504.6).

- (1) Two duplicate copies of each application for farmland assessment must be forwarded by the assessor to the Local Property Branch on or before January 10 of the year for which application for farmland assessment is made.
- (2) The duplicate copies of each application shall, in the space provided, be signed and dated by the assessor and marked either "approved" or "disapproved".

Each FA-1 Form filed requires close scrutiny by the tax assessor. The FA-1 Form is the official source document for land qualifying under the Farmland Assessment Act of 1964. As such, the assessor's review of the form is important to determine its completeness and accuracy prior to approving the subject land for farmland assessment and submission of duplicate copies to the Local Property Branch.

REFERENCES:

N.J.S.A. 54:4-23.21.

Farmland Reg. 18:15-2.6.

Local Property Branch News - May-June, 1986.

504.35 Continuance of eligibility. Assessment under the Farmland Assessment Act does not continue automatically; a new application must be made every year. If the ownership of land changes in any year, the land may be continued under the Act for that year, so long as the use of the land is not changed. Farmland Assessment may be continued in a subsequent year for the sold tract provided the new owner files an application and meets all other requirements of the Act.

- (1) On or before July 1 of each year the assessor is required to mail to each taxpayer whose land is currently receiving farmland assessment an application form (FA-1) in order that the owner of the land may file for continuation of farmland assessment for the succeeding tax year.



The FA-1 form must be accompanied by a notice that the completed application is required to be filed with the assessor on or before August 1 of the pretax year.

REFERENCES:

N.J.S.A. 54:4-23.15; 54:4-23.15a.  
Farmland Reg. 18:15-2.4; 18:15-2.6.

504.36 Notice of Disallowance. In cases where the assessor denies an application filed by a landowner for farmland assessment, the assessor shall, on or before November 1 of the pretax year, notify the landowner of the disallowance of his application.

- (1) The Notice of Disallowance may be transmitted to the applicant by regular mail, and must set forth the reason or reasons for the denial, and is to notify the applicant of his right to appeal the assessor's denial of his application to the county board of taxation on or before August 15 of the tax year.

REFERENCES:

N.J.S.A. 54:4-23.13b.  
Farmland Reg. 18:15-3.6.

504.4 Valuation of farmland. Land which qualifies under the Farmland Assessment Act must be valued for property tax purposes on the basis of its value for agricultural or horticultural use.

REFERENCES:

N.J.S.A. 54:4-23.2.  
Farmland Reg. 18:15-4.1.

504.41 Sources of valuation information. In arriving at a value of eligible farmland for agricultural or horticultural uses, the assessor must consider the following sources of information:

- (1) evidence of agricultural and horticultural capabilities derived from soil survey data at Rutgers - The State University;
- (2) evidence of agricultural and horticultural capabilities derived from

the National Co-operative Soil Survey;

- (3) recommendations of land value made by any county or state-wide committee, such as the State Farmland Evaluation Advisory Committee, which may be established to assist the assessor (see paragraph 504.42).

The Director of the Division of Taxation recommends an assessor utilize the valuation standards established by the State Farmland Evaluation Advisory Committee in valuing qualified farmland. In the event an assessor plans not to utilize the valuation standards established by the State Farmland Evaluation Advisory Committee in valuing qualified farmland, the assessor shall submit such alternate standards to the Director by November 1 of the pretax year, indicating his reasons for not following the Advisory Committee's recommendations. The assessor shall further submit a detailed explanation as to the procedure and valuation standards to be applied in valuing qualified farmland.

After review of such information, the Director shall inform the assessor and the respective county board of taxation by December 10 of the pretax year as to the propriety of utilizing the alternate standard. If the Director advises against utilization of the alternate standard and the assessor, nevertheless, chooses to rely on such standard for establishing qualified farmland assessments, he shall give written notice to the Director and the county board of taxation no later than December 31 of the pretax year.

The county board of taxation, after its review as provided under N.J.S.A. 54:4-46, shall direct the assessor to make such changes it deems necessary to accomplish qualified farmland assessments.

REFERENCES:

N.J.S.A. 54:4-23.7.

Farmland Reg. 18:15-4.2; 18:15-4.3; 18:15-14.5; 18:15-14.6.

504.42 State Farmland Evaluation Advisory Committee. The Farmland Assessment Act created a State Farmland Evaluation Advisory Committee consisting of

the Director of the Division of Taxation, the Dean of the Cook College, and the Secretary of Agriculture. The Committee is required to determine and publish each year, on or before October 1, a range of values for agricultural or horticultural land use, for each of the several land classifications, and for each area of the State. The first Report of the State Farmland Evaluation Advisory Committee, issued on October 1, 1964, recommended land values ranging from \$6 per acre for woodland on poor quality soil in Warren County to \$552 per acre for high quality harvested cropland in Passaic County. The Report of the State Farmland Evaluation Advisory Committee for the tax year 1988 shows values ranging from \$12 per acre for appurtenant woodland on poor quality soil in Warren County to \$912 per acre for high quality cropland harvested in Bergen, Essex, Passaic and Union Counties.

REFERENCES:

N.J.S.A. 54:4-23.20.

Farmland Reg. 18:15-14.1 to 18:15-14.5.

Report of the State Farmland Evaluation Advisory Committee,  
October, 1964; October, 1988.

504.5 Assessment of farm properties

504.51 Taxable value of land under the Farmland Assessment Act. The taxable or assessed value of land qualifying under the Farmland Assessment Act is determined by multiplying the agricultural or horticultural value of the land by the percentage of true value established by the county board of taxation for the assessment of real property generally. Since 1974 to present (1988), all county boards of taxation have been establishing a level of 100%.

REFEREBCES:

Farmland Reg. 18:15-5.1.

Handbook, par. 501.12.

Division of Taxation Annual Reports, 1973 to 1988.

504.52 Valuation of land which is not eligible under the Farmland Assessment Act. All land which is not eligible for assessment under the Farmland Assess-

ment Act must be valued, assessed, and taxed by the same standards, methods, and procedures as other taxable land in the taxing district.

REFERENCES:

N.J.S.A. 54:4-23.12.  
Farmland Reg. 18:15-4.4; 18:15-5.2.  
Handbook, par. 504.24.

504.53 Farm buildings. All structures, whether used for agricultural or horticultural purposes or otherwise, must be valued, assessed, and taxed by the same standards, methods, and procedures used for other properties in the taxing district. Except that in assessing structures which are located on land in agricultural or horticultural use the assessor is not to include temporary, demountable plastic covered framework made of portable parts with no permanent understructures. Such structures are commonly known as seed starting plastic greenhouses.

REFERENCES:

N.J.S.A. 54:4-23.12.  
Farmland Reg. 18:15-4.5.

504.54 Entry on the Assessment List. Land which is eligible under the Farmland Assessment Act is entered on the Tax List in the same manner as any other taxable property. However, when only a portion of a parcel is eligible and the remaining portion is not eligible, each portion is shown on the Tax List on a separate line.

REFERENCES:

N.J.S.A. 54:4-23.15; 54:4-23.19.  
Farmland Reg. 18:15-5.3; 18:15-7.2; 18:15-10.1.  
Handbook, par. 407.21.

504.6 Roll-back taxes. The Farmland Assessment Act provides special treatment for land which is continued in active agricultural or horticultural use. In order to re-capture some of the taxes which would have been paid by this land if it had been taxed on the same true value standard as all other property, the Farmland Assessment Act provides for roll-back taxes if the use of the land

changes. It is important to realize that roll-back taxes do not necessarily attach when a change of ownership of qualified farmland occurs. Provided the new owner continues to devote the land to agricultural or horticultural use within the requirements of the Farmland Assessment Act, the land is entitled to continuance of farmland assessment.

REFERENCES:

N.J.S.A. 54:4-23.8.

Farmland Reg. 18:15-7.1; 18:15-12.1.

Handbook, par. 504.35.

504.61 Period of roll-back taxes. Any land which changes from an eligible use under the Farmland Assessment Act to some other use is subject to roll-back taxes for the year in which the change takes place and the two previous tax years. However, roll-back taxes are levied only for such years during which the land was assessed under the Act.

Examples:

- (1) A parcel of land is assessed under the Farmland Assessment Act for the tax years 1987, 1988 and 1989. A change in use occurs in March, 1989. Roll-back taxes would apply for all three years, 1987, 1988 and 1989.
- (2) A parcel of land is assessed under the Farmland Assessment Act for the tax years 1988 and 1989. A change in use occurs in March, 1989. Roll-back taxes would apply only for 1988 and 1989 since the land was not assessed under the Act in 1987.
- (3) A parcel of land is assessed under the Farmland Assessment Act in 1987 and 1988. A change in use occurs in March, 1989. Roll-back taxes would apply only for 1987 and 1988.
- (4) A parcel of land is assessed under the Farmland Assessment Act for the tax years 1986, 1987, 1988 and 1989. A change in use occurs in June, 1989. Roll-back taxes would apply for 1987, 1988 and 1989.

REFERENCES:

N.J.S.A. 54:4-23.8.

Farmland Reg. 18:15-7.4, 18:15-7.5.

Local Property Tax Bureau News, October, 1964, p.1.

504.62 Amount of roll-back tax. The amount of the roll-back tax for each year involved is calculated by the assessor on any particular parcel, use of which has changed from agricultural or horticultural in the following manner:

- (1) the assessor must determine the full and fair value of the land for each year respectively that roll-back taxes apply by the same standards applied to all other land in the tax district; (The concept of full and fair value as contained in the statute is the same as that traditionally applied in the assessment of property, i.e., the fair market value. Thus in a district where assessments have not been annually maintained at true value, the subject property's assessment should be initially determined at the fair market value for each October 1 pretax year the property is subject to roll-back taxes and then subjected to the common level range established each tax year pursuant to Section 5, Chapter 123, Laws of 1973).
- (2) the assessment on this basis is calculated by the assessor by multiplying the full and fair value of the land by the county percentage level as determined by the county board of taxation in accordance with N.J.S.A. 54:4-2.27;
- (3) the assessor must then determine the amount of the additional assessment on the land by subtracting the actual assessment under the Farmland Assessment Act from the assessment calculated in (2);
- (4) finally, the assessor must calculate the amount of the roll-back tax by multiplying the additional assessment calculated in (3) by the tax rate for the tax year in question.

An example of the foregoing steps is demonstrated in EXHIBIT V-10.

REFERENCES:

N.J.S.A. 54:4-23.8.

Farmland Reg. 18:15-7.3.

Frank Schere et al v. Township of Freehold, 150 N.J.Super. 404  
(App.Div.1977).

Attorney General's letter opinion dated 2/16/88.

504.63 Assessment and collection of roll-back taxes. The assessment, collection, apportionment, and payment of roll-back taxes follows the same procedure used for omitted assessments, with the exception that the time limitation of the omitted assessment procedure (current tax year and one previous year) does not apply. The alternate method for levying omitted assessments does not apply when an assessor is assessing roll-back taxes, but rather the action must proceed under provisions of the regular omitted assessment law (see N.J.S.A. 54:4-63.12 et seq.). This involves the filing of a complaint with the county board of taxation by the tax collector, the municipal governing body, or any taxpayer (See EXHIBIT V-11), a hearing held by the county board after having given at least 5 days written notice to the affected taxpayer; (See EXHIBIT V-12) rendering of a judgment by the county board (See EXHIBIT V-13); entry of the property with the proper assessment on the Omitted Property Assessment List, which is filed by the assessor with the county board of taxation on October 1; and issuance of tax bills by the municipal tax collector at least one week prior to November 1 following certification of the Omitted Property Assessment List. If the judgment is rendered by the county board of taxation prior to October 1 of any year, roll-back taxes are due on November 1 of that year. If the judgment is rendered after October 1 and before December 31, the roll-back taxes are due November 1 of the following year.

REFERENCES:

N.J.S.A. 54:4-23.9.

Farmland Reg. 18:15-7.6; 18:15-7.7; 18:15-7.10.

Handbook, sec. 702.1 to 702.9.

504.64 Liability for roll-back taxes. The liability for roll-back taxes attaches upon a change in land use or upon noncompliance with other requirements of the Act, but not upon a change in land ownership. Roll-back taxes become a lien upon the land from January of the year in which the judgment of the county board of taxation is rendered.

REFERENCES:

N.J.S.A. 54:4-23.15.  
Farmland Reg. 18:15-7.2; 18:15-7.8; 18:15-10.1.  
Handbook, sec. 204.4.

504.65 Appeals of roll-back taxes. Tax appeals from county board of taxation judgments concerning roll-back taxes follow the same procedure used for appeals of omitted assessments (see Section 702.9). This includes the filing of a complaint with the Tax Court within 45 days of the date of the county board of taxation judgment.

REFERENCES:

Rules of the Tax Court, 8:4-1 (a)(2).  
Farmland Reg. 18:15-7.9.  
Handbook, sec. 702.9 and 1104.1.

504.7 Effect of changes in land use.

504.71 Change in use during the tax year. If a parcel of land assessed under the Farmland Assessment Act changes from agricultural or horticultural use to some other use during the tax year, roll-back taxes are to be assessed for the applicable years using the omitted assessment procedures.

REFERENCES:

N.J.S.A. 54:4-23.8; 54:4-23.9.  
Farmland Reg. 18:15-7.1; 18:15-8.1.  
Handbook, par. 504.61 to 504.65; 702.1 to 702.9.

504.72 Change in use between October 1 and December 31 with application pending. If a parcel of land assessed under the Farmland Assessment Act changes from agricultural to horticultural use to some other use between October 1 and December 31, while an application is pending, the assessor should deny the application and should enter the property on the Tax List



on January 10 of the tax year in the same manner as any other property not under the Act. If the assessor does not deny the application, the county board of taxation, if it has knowledge of the change in use, should correct the Assessment List before it is certified on or before May 3 of the tax year.

If the application is not denied by either the assessor or the county board of taxation, and the land is assessed under the Farmland Assessment Act, the assessor must include the land on the Added Assessment List, which is filed with the county board of taxation on October 1 (see Sections 407.4, 701.1 to 701.9). The added assessment should be the difference between the assessment actually made under the Farmland Assessment Act and the assessment which would have been made if the application had been denied.

The added assessment is applicable for the full tax year, and is not subject to proration. The use of this procedure does not affect the liability of the property to roll-back taxes for any prior years during which it was assessed under the Act.

#### EXAMPLE:

A parcel of land is assessed under the Farmland Assessment Act for the tax years 1986, 1987 and 1988 and an application is filed on July 20, 1988 for a continuation of such assessment for the tax year 1989. On November 23, 1988, the use of the land changes, but this does not become known to the assessor or county board of taxation until June 15, 1989.

An added assessment should be made for the tax year 1989, and the omitted assessment procedure should be used to recapture the roll-back taxes for the tax years 1986, 1987 and 1988.

#### REFERENCES:

N.J.S.A. 54:4-23.13.

Farmland Reg. 18;15-8.2; 18:15-8.3.

Handbook, sec. 407.4; 407.5; 701.1 to 702.9.

504.73 Separation and split-offs. The separation or split-off portions of a parcel assessed under the Farmland Assessment Act affects the eligibility of the land only if the new parcels do not meet the requirements of the act. For example, if a 200 acre farm under the Act is split into two 100-acre farms, and both continue in agricultural or horticultural use and meet all other requirements, they may both continue under the Act. If the use of one of them changes, it would not be eligible under the Act, and, therefore, would be subject to roll-back taxes. However, if the remaining land continued to meet all requirements, it would continue to be assessed under the Farmland Assessment Act and roll-back taxes would not apply.

REFERENCES:

N.J.S.A. 54:4-23.16.

Farmland Reg. 18:15-11.1.

505. Wetlands, Flood Hazard Areas and Coastal  
Area Facilities Review Act

Lands located in coastal wetlands areas, as well as lands situated in areas subject to risk from flood and lands located in coastal areas generally are subject to use regulations as set forth in state statute. Use restrictions may affect value, and the assessor must be cognizant of factors influencing property values in his jurisdiction.

Wetlands

505.1 Purpose. Laws governing the use of coastal wetlands have as their purpose the protection of natural resources and the ecological balance in lands flowed by tidal waters and lands nearby. Wetlands are broadly defined as including any bank, marsh, swamp, meadow, flat or other low land subject to tidal action or flow in New Jersey along both Delaware Bay and the Delaware River, the Raritan Bay, the Barnegat Bay, the Sandy Hook Bay, the Shrewsbury, Navesink

and Shark Rivers, and the coastal inland waterways from Manasquan Inlet to Cape May Harbor. Included along these areas is any land which is 1 foot or less above local extreme high water. Maps delineating the exact areas subject to regulation have been drafted by the Department of Environmental Protection, and show the coastal wetlands affected to run continuously southward from the Raritan River, around the coastal areas of the southernmost parts of New Jersey and generally northward up the Delaware River to Trenton. The Hackensack Meadowlands area is specifically excluded from the operation of the Wetlands Act.

REFERENCES:

N.J.S.A. 13:9A-2.

505.11 Regulated activity. Activity subject to regulation includes any draining, dredging, excavation or removal of soil, mud, sand aggregate or gravel, or dumping of rubbish, discharging of liquid wastes, and the erection of structures, driving of piling or placing of obstructions. Activity not subject to regulation is the continuance of commercial production of salt hay or other agricultural crops.

REFERENCES:

N.J.S.A. 13:9A-4a.

505.12 Permit required. In order to carry out any regulated activity a permit is required. In order to obtain a permit an individual must file an application for the permit with the Commissioner of the Department of Environmental Protection. In granting or denying the permit the Commissioner must consider the effect the proposed activity will have on the public health and welfare, shellfish and marine fisheries, wildlife, the natural environment, the ecological balance of the area and the effect of the work with regard to protection of life and property from flood, hurricane and other natural disasters.

REFERENCES:

N.J.S.A. 13:9A-4c; 13:9A-4d.

## Flood Hazard Areas

505.2 Purpose. Laws governing land use in flood prone areas have as their object the reduction of danger of flood damage to persons and property in such areas, as well as preservation of the natural beauty of those areas. Separate provision is made for regulation of uses of land situated in so called "Floodway" areas, as opposed to lands situated in "Flood fringe" areas. Other terms used in the Flood Hazard Areas legislation include "Flood plain" and "Flood hazard area". EXHIBIT V-14 is a graphic representation illustrating the meaning of these terms.

### REFERENCES:

N.J.S.A. 58:16A-51.

505.21 Floodway areas. The floodway includes the channel of a natural stream and portions of the flood plain adjoining the channel which are reasonably required to carry the flood water or flood flow of a natural stream. Development and use of land located in a designated floodway is subject to regulation by the Department of Environmental Protection. Such regulations are designed to preserve the flood carrying capacity of natural streams and thereby to minimize the threat to public safety health and general welfare. Examples of uses permitted in floodway areas are public recreation areas such as playgrounds and picnic spots, agricultural activity for grazing, nurseries, farming, forestry and soil conservation programs. None of these uses include utilization of fill material to build up river banks, building of structures on the floodway or modification of river channels. The object is to keep out any building that would impede the flow of water on to the flood plain where it may be dissipated and thereby not add to flooding downstream.

### REFERENCES:

N.J.S.A. 58:16A-51; 58:16A-55.

505.22 Flood fringe areas. Flood fringe areas are those portions of the flood hazard area not designated as "Floodway". The development and use of these

areas are subject to local rules and regulations. The Department of Environmental Protection is required to promulgate minimum standards which must be met by local regulations for flood fringe land area usage.

REFERENCES:

N.J.S.A. 58:16A-56.

505.23 Assessment of floodway or flood fringe lands. The law requires local assessors to consider the impact of rules or regulations issued under provisions of the Flood Hazard Areas law in establishing full value of lands situated in floodway or flood fringe areas.

REFERENCES:

N.J.S.A. 58:16A-61.

505.24 Mapping of flood hazard areas. The Division of Water Resources in the Department of Environmental Protection is to delineate flood hazard areas in portions of the flood plains throughout the state where, in their judgment, the improper development and use of such areas could constitute a threat to the safety, health and general welfare. Once the flood hazard area, flood fringe area and floodway area have been mapped and delineated, rules and regulation for these areas may proceed as mentioned in Section 505.21 and 505.22 above.

REFERENCES:

N.J.S.A. 58:16A-52.

Coastal Area Facilities Review Act

505.3 Purpose. This Act has as its aim the development of land uses in the coastal area of New Jersey which will not only improve the overall economic situation of the inhabitants of the coastal area, but which will also permit only that type of development which will preserve the exceptional, unique, irreplaceable and delicately balanced ecology of the coastal area. The boundaries of the area affected are described in the law and run from the southern bank of the Raritan Bay southward down the Atlantic Coast line around the southern coast

along the Delaware Bay, still along the coast up the Delaware River to a point in the Salem County coastline. The area varies in depth from less than a quarter of a mile to more than 15 miles from the coast at some points.

REFERENCES:

N.J.S.A. 13:19-1; 13:19-4.

505.31 Activity regulated. The construction of buildings or structures to be used in certain types of activity is subject to regulation by the Commissioner of the Department of Environmental Protection. Structures used in these activities are called "facilities" in the Act and include such uses as electric power generation, food and food byproducts, incineration wastes, housing, agri-chemical production, inorganic acids and salts manufacture, chemical processes, storage, metallurgical processes, and many other uses as set forth in the Act.

REFERENCES:

N.J.S.A. 13:19-3.

505.32 Permit required. No facility as described in the law is to be constructed in the coastal area until a permit has been applied for and issued by the Commissioner of the Department of Environmental Protection. An application for receipt of a permit must be accompanied by an environmental impact statement (sometimes called an EIS). The environmental impact statement must provide information needed to evaluate the effects of a proposed project upon the environment of the coastal area. The statement must contain an inventory of existing environmental conditions at the project site, an assessment of the probable impact of the project upon the environmental conditions, a listing of adverse environment impacts which cannot be avoided, steps to be taken to minimize adverse environment impacts at the project site and in the surrounding region, alternatives to all or any part of the project with reasons for their acceptability or nonacceptability, and other presentations required in the Act.

REFERENCES:

N.J.S.A. 13:19-5; 13:19-6; 13:19-7.

505.33 Ruling by the Commissioner. In ruling on applications for permits the Commissioner of the Department of Environmental Protection, in accordance with the law, must determine that the proposed facility, among other things, conforms to certain ecological and air and water pollution standards, and that it minimizes adverse environment effects and threats to the public health, safety and welfare.

REFERENCES:

N.J.S.A. 13:19-10.

506. Lands Affected by Conservation Restrictions;  
Historic Preservation Restrictions

- 506.1 Purpose. The purpose of this law is to permit landowners to convey or assign land use restrictions to the State or to local governmental units or to certain charitable, nonprofit organizations. The objective is that the assignment of such restrictions may serve to maintain any property upon which such restrictions have been assigned, in its historical or natural, open and scenic state.
- 506.2 Conservation restriction. A conservation restriction is an interest in the title of a parcel of land or water area which is less than full title (fee simple absolute) and which is given by the owner in order to hold the land predominantly in its natural, scenic or open or wooded condition. It may also be given to hold the land for conservation of soil or wildlife, or for outdoor recreation or park use or as suitable habitat for fish or wildlife. A conservation restriction may forbid or limit any or all of the following uses or activities:
1. Construction or placing of buildings, roads, signs, billboards or other advertising, or other structures on or above ground;

2. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste or unsightly or offensive materials;
3. Removal or destruction of trees, shrubs or other vegetation;
4. Excavation, dredging or removal of loam, peat, gravel, soil, rock or other mineral substance;
5. Surface use except for purposes which permit the land or water area to remain predominately in its natural condition;
6. Activities detrimental to drainage, flood control, water conservation, erosion control or soil conservation, or fish and wildlife habitat preservation;
7. Other acts or uses detrimental to the retention of land or water areas according to the purposes of this act.

REFERENCES:

N.J.S.A. 13:8B-2.

506.3 Historic preservation restriction. A historic preservation restriction is an interest in the title to land which is less than full title (fee simple absolute), and which is given by the owner in order to preserve a structure or site which is historically significant for its architecture, archeology or for its historic associations. A historic preservation restriction may forbid or limit any or all of the following uses or activities:

1. Alteration in exterior or interior features of a structure;
2. Changes in appearance or condition of such site;
3. Use of such structure or site which are not historically appropriate;
4. Other acts or uses detrimental to the appropriate preservation of such structure or site.

REFERENCES:

N.J.S.A. 13:8B-2.



506.4 Information concerning conservation and historic preservation restrictions.

The laws set forth certain requirements concerning the form conservation and historic preservation restrictions may take, how such restrictions are acquired, the recording of the grant of these restrictions and how the restrictions may be released.

506.41 Form restrictions may take. A restriction may take the forms of a right, easement, covenant or condition in any deed, will or other instrument, other than a lease. The restriction must be executed by or on behalf of the owner.

REFERENCES:

N.J.S.A. 13: 8B-2.

506.42 Acquisition of restrictions. A conservation restriction or historic preservation restriction may be acquired by the Commissioner of Environmental Protection in the name of the State, or by any local governmental unit, or by any charitable conservancy. A charitable conservancy is defined as a non-profit corporation or trust whose purposes include acquisition and preservation of land or water areas. The restrictions, once acquired, may be enforced in the same manner as other interests in land. The holder of such restrictions is to be entitled to enter the land or water area involved so as to assure compliance with the terms of the restriction. The land subject to restriction is to be described by an adequate legal description or by reference to a recorded plan showing its boundaries.

REFERENCES:

N.J.S.A. 13: 8B-3, 13: 8B-4.

506.43 Restrictions to be recorded. All conservation and historic preservation restrictions once granted are to be recorded and indexed in the registry of deeds for the county where the land lies, in the same manner as other conveyances of interests in land are recorded.

REFERENCES:

N.J.S.A. 13: 8B-4.

506.44 Release of restrictions. A conservation restriction or a historic preservation restriction may be released in whole or in part by the holder of the restriction for such remuneration or consideration as the holder may determine, subject to any conditions which may have been imposed at the time of the granting of the restriction. However, before the release of any restriction a public hearing must be held after three weeks notice of the hearing in a newspaper circulating in the municipality in which the land is located. The hearing must be held by the governmental body holding the restriction. Where the restriction is held by a charitable organization the hearing must be held by the governing body of the municipality in which the land is located. No conservation restriction acquired under the Conservation and Historic Preservation Restriction Act may be released without first having obtained the approval of the Commissioner of Environmental Protection.

REFERENCES:

N.J.S.A. 13:8B-5, 13:8B-6.

506.45 Valuation by local assessors. The existence of any conservation restriction or any historical preservation restriction acquired under the Conservation and Historical Preservation Restriction Act are to be considered by local assessors in establishing the full value of any lands subject to such restrictions.

REFERENCES:

N.J.S.A. 13:8B-7.

# EXHIBITS

Handbook for New Jersey Assessors

INSTRUCTIONS FOR PLOTTING THE DESCRIPTION OF A PARCEL OF LAND

In most deeds transferring land from one owner to another there is a description of a beginning point followed by various courses and distances (usually numbered) running around the boundaries of the land.

Make a list of the courses and distances in the following manner.

In the accompanying EXAMPLE there are six courses listed thus:

- (1) North 33 degrees and 30 minutes East, 600 feet
- (2) South 56 degrees and 30 minutes East, 400 feet
- (3) South 63 degrees and 30 minutes West, 346.41 feet
- (4) South 56 degrees and 30 minutes East, 173.20 feet
- (5) South 33 degrees and 30 minutes West, 300 feet
- (6) North 56 degrees and 30 minutes West, 400 feet

If the symbols for degrees, minutes and feet are used, also since 30 minutes equals  $\frac{1}{2}$  degree, the courses could be abbreviated to read:

- (1) N  $33\frac{1}{2}$  E, 600'

Nearly all modern descriptions follow the boundaries in a clockwise direction while the older ones run counter-clockwise.

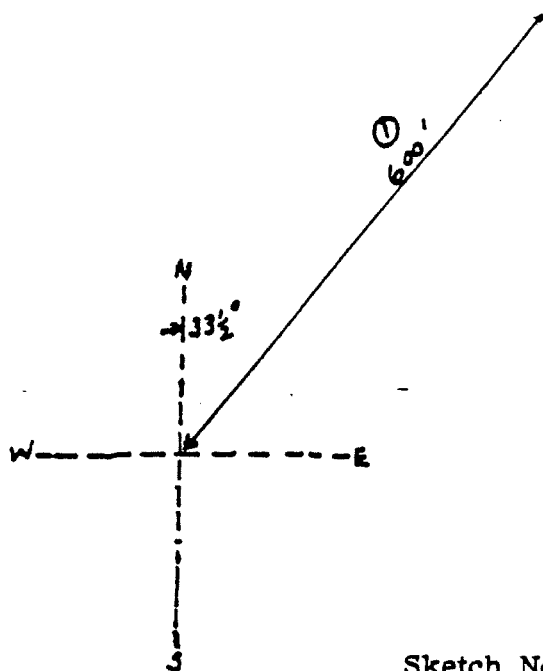
This will not make any difference in the following system of plotting.

Step No. 1

Note in the foregoing list of courses that three run in a Westerly direction.

Usually the last Westerly course ends at the most Westerly point in the description, which would be the point farthest to the left, therefore, start plotting the course immediately following, which in this example happens to be No. 1.

Draw a pair of N-S and E-W lines (and label them) near the left hand edge of the paper and about in the middle, vertically, (see sketch No. 1 on next page).



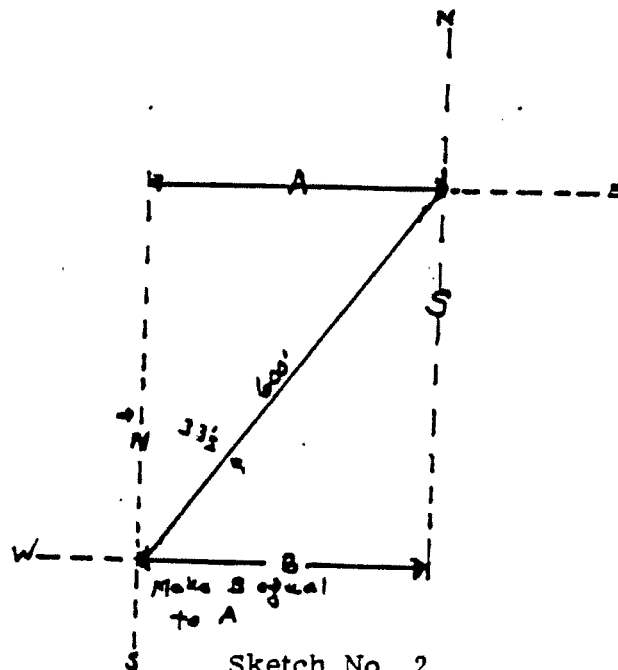
Sketch No. 1

With a protractor lay off an angle of  $33\frac{1}{2}$  degrees East of North from the intersection of the North-South and East-West lines and extend this line, using a suitable scale, a distance of 600 feet.

Step No. 2

Draw a second pair of North-South and East-West lines at the end of this course (Course No. 1), making the N-S line parallel with the N-S line of the first pair in the following manner.

Extend the first N-S line to a point opposite the end of course No. 1 and measure the distance (A) between them (see sketch No. 2).

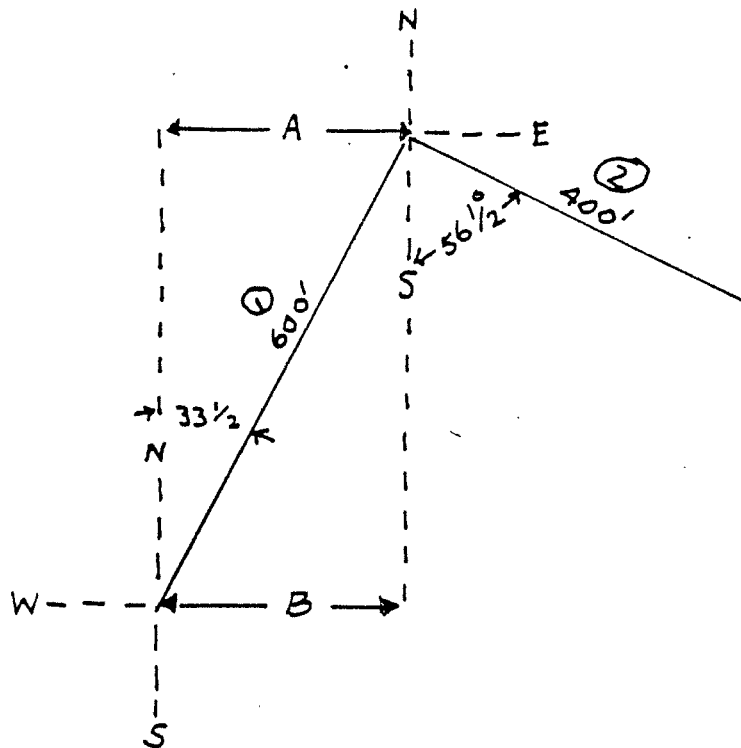


Sketch No. 2

Now lay off distance B, equal to A, from the intersection of the first North-South and East-West lines and draw a line from this point through the point at the end of the course No. 1. This line is the second N-S line.

NOTE: This step will not be necessary if ruled paper or cross section paper is used because the ends of the courses will fall close enough to a ruled line so that the N-S or E-W lines may be drawn parallel with less difficulty.

The second course may now be drawn from the end of the first course in the same manner as the first was drawn from the point of beginning except that since it runs Southeast the angle of departure (bearing angle) is laid off East of South (See Sketch No. 3).

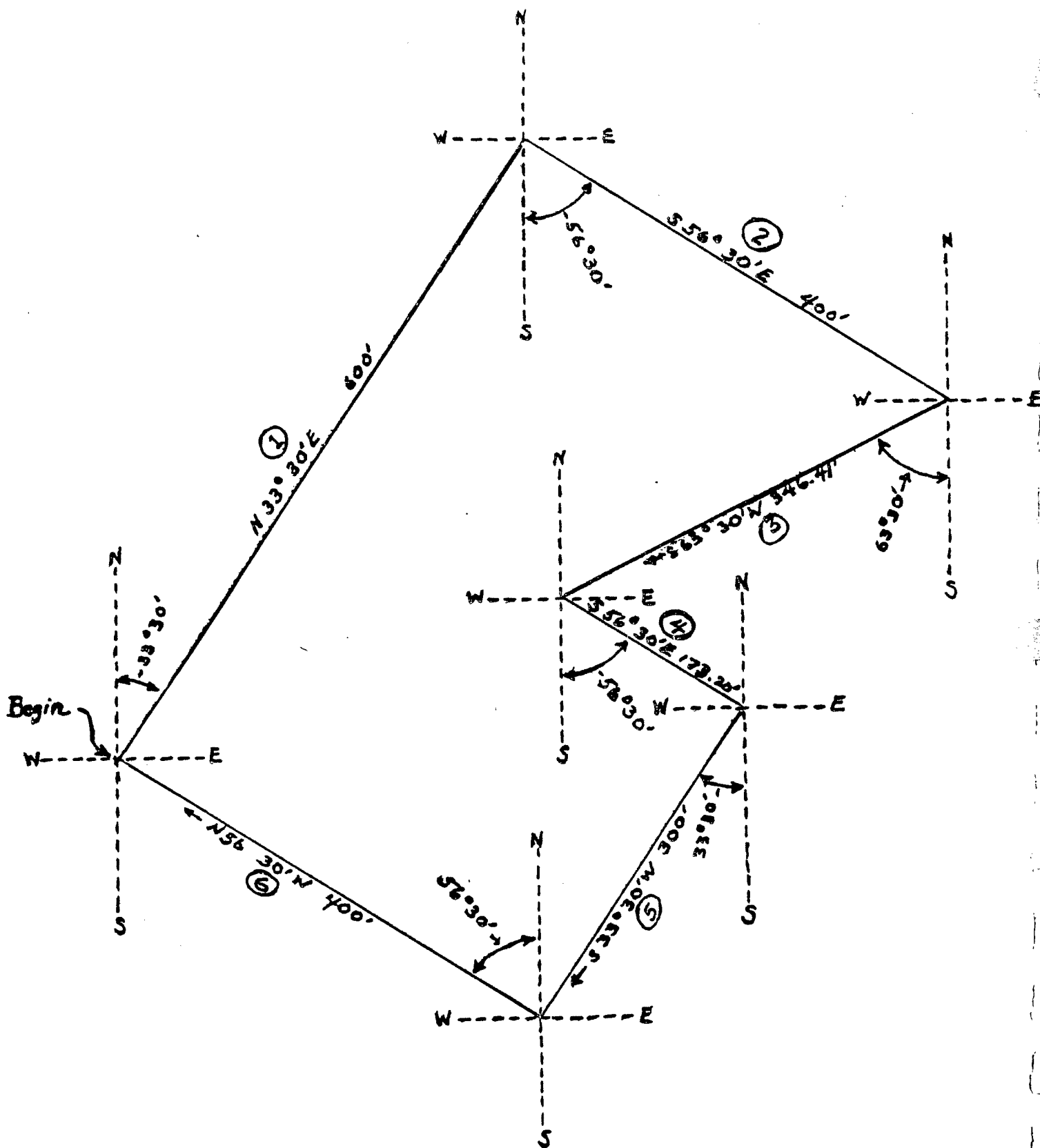


Sketch No. 3

The accompanying EXAMPLE clearly illustrates that the angle given in the bearing of the course is always measured away from North or from South, a Southwesterly course angle is measured West from South, a Northwesterly is measured West from North etc.

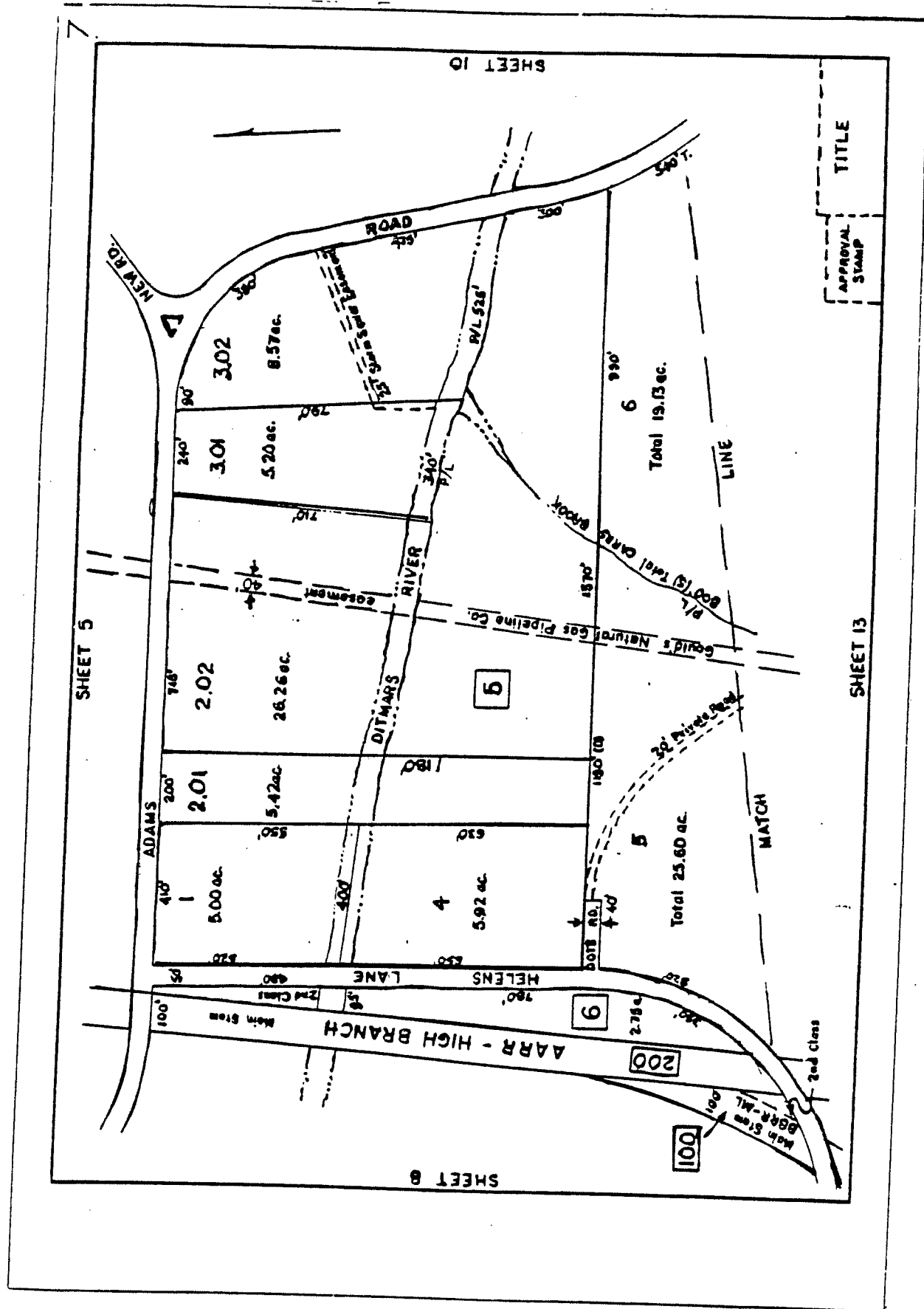
If the bearing angle has three dimensions, such as N30 - 25' - 30" W, disregard the third dimension which is 30 seconds (1/2 minute) because with the type of protractor generally used for assessing purposes an angle cannot be laid out any closer than the nearest 15 minutes (1/4 degree).

If the lengths of the courses are given in chains and links, convert to feet by multiplying by 66 thus, 2 chains and 6 links would be  $2.06 \times 66 = 135.96$  feet. Note that one (1) link is 1/100th of a chain.



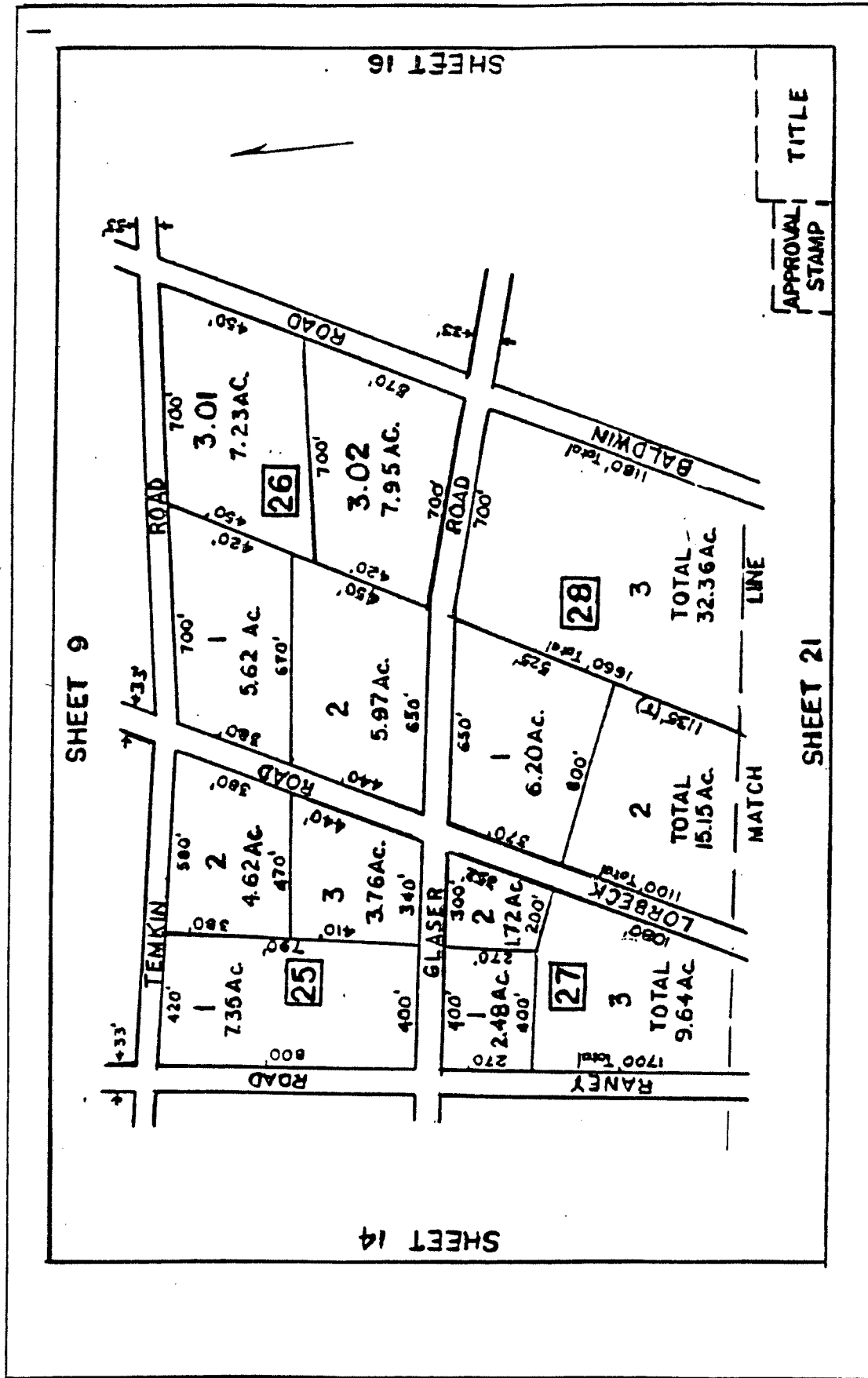
**EXAMPLE**  
Scale  $1" = 100'$

**TAX MAP - RURAL AREA**











# TAX MAP - URBAN AREA

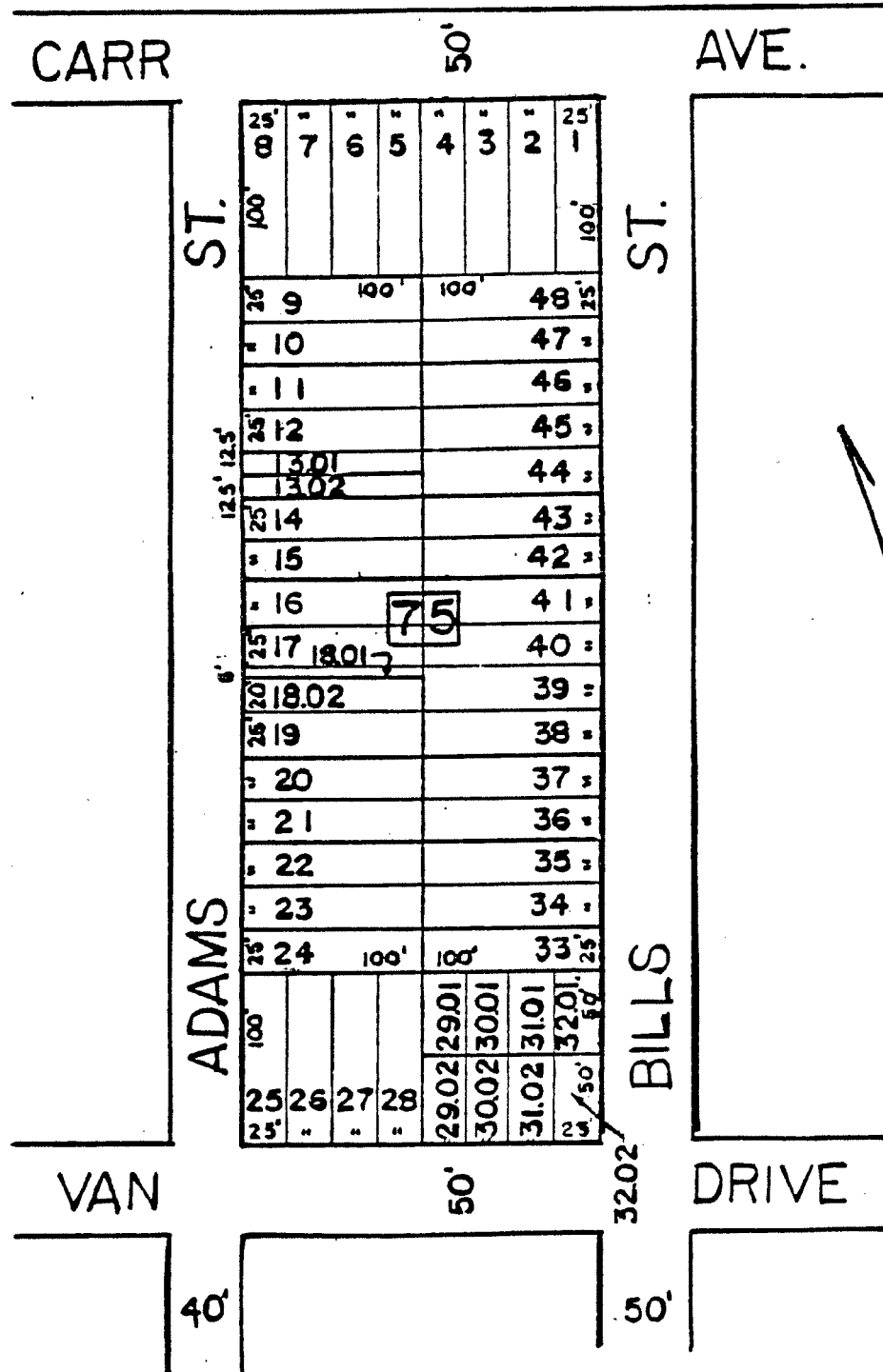




EXHIBIT V-5: Questionnaire Used in Obtaining Sales Information

SR-5-REV. 10-88



State of New Jersey  
DEPARTMENT OF THE TREASURY  
DIVISION OF TAXATION

LOCAL PROPERTY BRANCH  
CN 251  
50 BARRACK STREET  
TRENTON, N.J.  
08625-9986

To Whom It May Concern:

The State School Aid Laws of New Jersey require that the Director of the Division of Taxation shall promulgate a Table of Equalized Valuations to be used in the calculation and equitable distribution of State School Aid Funds to each municipality.

In the discharge of this statutory obligation the Director conducts continuous state-wide statistical studies of real estate values.

We have secured information about a real estate transaction with which you were connected from public records in the County Court House. Certain transactions such as those between members of a family, partition sales or transfers in lieu of foreclosure among others do not represent sales valid for our statistical purposes. In such cases it is essential to obtain additional facts from one of the parties to the transaction for verification purposes.

In the interest of accuracy, we request that you answer the questions listed on the REVERSE SIDE of this letter which pertain to the property you purchased unless otherwise indicated.

Your cooperation in furnishing the requested information will promote a more equitable distribution of State School Aid Funds and thereby help to assure that your municipality will receive its full fair share. An addressed business reply envelope is enclosed for your use. Your cooperation will be greatly appreciated.

  
John C. Raney  
Superintendent  
Local Property Branch

JCR / dmd  
Enclosure

FOR OFFICE USE

Batch No. \_\_\_\_\_ D.L.N. No. \_\_\_\_\_  
Date \_\_\_\_\_  
SR-1A # \_\_\_\_\_ Name Control \_\_\_\_\_  
Location of property transferred \_\_\_\_\_  
Grantor: \_\_\_\_\_

- ☐ Grantor (Seller)  
☐ Grantee (Buyer)  
☐ Attorney

Grantee (Buyer) \_\_\_\_\_

Grantor (Seller) \_\_\_\_\_

Location of property purchased or transferred \_\_\_\_\_

THE INFORMATION BELOW IS BEING REQUESTED for statistical purposes in connection with the distribution of State School Aid Funds and tax equalization studies being conducted for the Director, Division of Taxation.

1. Is there a family relationship between the buyer and seller?  
If yes, specify relationship. \_\_\_\_\_  
☐ Yes ☐ No
2. Was this an outright sale? \_\_\_\_\_  
Was this a sale of convenience? \_\_\_\_\_  
(i.e. to correct defects in title, create joint tenancy, etc.)
3. Was this sale between:  
☐ affiliated corporations  
☐ a corporation and its subsidiary  
☐ a corporation and its stockholders  
☐ another corporation whose ownership is the same  
☐ none of the above
4. Was the seller forced to sell the property; and if so, why?  
\_\_\_\_\_
5. Was the buyer compelled to buy this particular property; and if so, why?  
\_\_\_\_\_
6. Was the property traded for other real estate?  
\_\_\_\_\_
7. Date agreement for sale was signed indicating intention to buy.  
Month \_\_\_\_\_ Date \_\_\_\_\_ Year \_\_\_\_\_
8. Did the selling price include:  
Any unpaid real estate taxes?  
Amount - \$ \_\_\_\_\_  
Any unpaid municipal assessments for special improvement?  
Amount - \$ \_\_\_\_\_
9. TOTAL SALE PRICE FOR THE REAL ESTATE INCLUDING ANY MORTGAGE(S) - \$ \_\_\_\_\_
10. The PROPERTY USE at time of transfer was:  
Vacant Land ☐ Size \_\_\_\_\_ Residential (four families or less) ☐  
Apartment (five or more families) ☐ Farm ☐ Acreage \_\_\_\_\_  
Commercial ☐ \_\_\_\_\_ Industrial ☐ \_\_\_\_\_  
Condominium ☐ \_\_\_\_\_ Other ☐ \_\_\_\_\_ Age of Building \_\_\_\_\_

**- RESIDENTIAL -**

11. Was HOUSEHOLD FURNITURE included in the purchase price of the real estate?  
☐ Yes ☐ No (DO NOT INCLUDE ANY OF THE FOLLOWING ITEMS AS BEING HOUSEHOLD FURNITURE):  
Refrigerator, kitchen range, washer, air conditioner, storm sash, venetian blinds and wall-to-wall carpeting or such similar fixtures and appliances.  
Actual amount paid for HOUSEHOLD FURNITURE only (Exclusive of the items noted immediately above)  
\$ \_\_\_\_\_ Other items - (specify) \_\_\_\_\_ Amount - \$ \_\_\_\_\_

**- FARM, COMMERCIAL AND INDUSTRIAL -**

12. Were any of the following items included with the price of the real estate? If so check below as to type and indicate amount paid if definitely known.  
☐ License - \$ \_\_\_\_\_ ☐ Goodwill - \$ \_\_\_\_\_ ☐ Machinery - \$ \_\_\_\_\_  
☐ Furniture & Fixtures - \$ \_\_\_\_\_ ☐ Inventories - \$ \_\_\_\_\_ ☐ Farm Stock - \$ \_\_\_\_\_  
☐ Other (specify) \_\_\_\_\_ - \$ \_\_\_\_\_

Date \_\_\_\_\_ Signed \_\_\_\_\_

Please return to Local Property Branch, CN 251, 50 Barrack St., Trenton, N.J. 08625-9986

EXHIBIT V-6: Property Record Card - Residential

[illegible]









# EXHIBIT V-7: Property Record Card - Commercial

LAND — OF — CARDS

IDENTIFICATION DATA										STAFF CONTROL DATA										SALES VERIFICATION DATA										LAND DATA										SITE DATA										SUMMARY																			
<p>Card Code</p> <p>Source of Information 1 = Owner 2 = Spouse 3 = Tenant 4 = Agent 5 = Other</p> <p>6 = Estimate 7 = Refusal</p> <p>Interior Inspection 0 = No 1 = Yes</p> <p>Cost Base Year</p> <p>Enumerated By</p> <p>Appraisal Date Month/Year</p> <p>Appraisal Date Month/Year</p> <p>Reviewed By</p> <p>Review Date Month/Year</p> <p>Permanent Land Review Code</p> <p>Number of Principal Buildings</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Unit Code</p> <p>Front Foot 1 = Front Foot 2 = Square Foot 3 = Acreage 4 = Site</p> <p>Influence Factor Codes 1 = Depth Factor 2 = Frontage Factor 3 = Backlot Factor 4 = Triangle Factor 5 = Corner Lot Factor</p>										<p>Land Use Code</p> <p>Neighborhood Type 1 = Rural 2 = Crossroads 3 = Suburbs 4 = Urban</p> <p>5 = Subdivision 6 = Commercial 7 = Industrial</p> <p>Road Type 0 = None 1 = Dirt 2 = Gravel 3 = Paved</p> <p>Traffic 1 = Light 2 = Medium 3 = Heavy</p> <p>View Influence 0 = None 1 = Detrimental 2 = Enhancing</p> <p>Topography 1 = Level 2 = Low 3 = High 4 = Rolling</p> <p>Corner Lot 0 = No 1 = Yes</p> <p>Alley Adjoining Lot 0 = No 1 = Yes</p> <p>Back Lot 0 = No 1 = Yes</p> <p>Street Lights 0 = No 1 = Yes</p> <p>Sidewalks 0 = No 1 = Yes</p> <p>Underground Utilities 0 = No 1 = Yes</p> <p>Sewer 0 = None 1 = Septic 2 = Private 3 = Public</p> <p>Water 0 = None 1 = Well 2 = Private 3 = Public</p> <p>Other Utilities 0 = None 1 = Gas 2 = Electricity 3 = Gas and Electricity</p> <p>Essentials 0 = None 1 = Moderate 2 = Extensive</p> <p>Neighborhood Conformity 1 = Inferior 2 = Typical 3 = Superior</p> <p>Neighborhood Trend 1 = Declining 2 = Static 3 = Improving</p> <p>Proximity to Services 1 = Inferior 2 = Typical 3 = Superior</p> <p>Cul-de-sac 0 = No 1 = Yes</p> <p>Landscaping 1 = Inferior 2 = Typical 3 = Superior</p>										<p>Notes</p>										<p>Building No.</p> <p>Building Value</p>									
<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>										<p>Card Code</p> <p>Sales Price</p> <p>Sales Date Month/Year</p> <p>Source 1 = Buyer 2 = Seller 3 = R.T. Fee 4 = Agent 5 = DM-1A</p> <p>Validity 0 = Not Valid 1 = Valid</p> <p>Type of Sale 1 = Land 2 = Building 3 = Land and Building</p>																			

V - Ex. 7a

[illegible][illegible][illegible]

BUILDING ACCESSORY CODES						EXTERIOR ACCESSORY CODES					
Item	Code	Measure One	Measure Two	Codes	Adj.	Item	Code	Measure One	Measure Two	Codes	Adj.
Special Purpose Doors	S001	No. of Units		1, 3, 5	No	Service Station Accessories					
Auto. Sliding Pedestrian Door	S002	No. of Leafs		1, 3, 5	No	Two Pump Island - Concrete	S001	No. of Islands		None	No
Auto. Slide Pedestrian Door	S003	No. of Leafs		1, 3, 5	No	Three Pump Island - Concrete	S002	No. of Islands		None	No
Air Curtain Pedestrian Door	S004	No. of Leafs		1, 3, 5	No	Four Pump Island - Concrete	S003	No. of Islands		None	No
Wood Sectional Industrial Door	S005	No. of Doors	S.F. Door Area	1, 3, 5	No	Canneries	S004		S.F. Canopy Ar.	1 thru 5	No
Steel Sectional Industrial Door	S006	No. of Doors	S.F. Door Area	1, 3, 5	No	Paving					
Steel Roll-Up Industrial Door	S007	No. of Doors	S.F. Door Area	1, 3, 5	No	Concrete - Light	PV01		S.F. Paved Area	None	No
Steel Hanger Door	S008	No. of Doors	S.F. Door Area	1, 3, 5	No	Concrete - Average	PV02		S.F. Paved Area	None	No
Electric Door Operator	S009	No. of Units		1, 3, 5	No	Concrete - Heavy	PV03		S.F. Paved Area	None	No
Exterior Stairs						Asphalt - Light	PV04		S.F. Paved Area	None	No
Wood Stairs	ES01	No. of Flights		1, 3, 5	No	Asphalt - Average	PV05		S.F. Paved Area	None	No
Reinforced Concrete Stairs	ES02	No. of Flights		1, 3, 5	No	Asphalt - Heavy	PV06		S.F. Paved Area	None	No
Steel and Concrete Stairs	ES03	No. of Flights		1, 3, 5	No	Curbing	PV07				
Steel Stairs	ES04	No. of Flights		1, 3, 5	No	Swimming Pools					
Fireplaces	FP01	No. of Units		1 thru 5	No	Rectangular Shape	SP01		S.F. Surface Ar.	1, 3, 5	Yes
Floor Adjustments						Irregular Shape	SP02		S.F. Surface Ar.	1, 3, 5	Yes
Concrete Slab Floor	FA01		S.F. Floor Area	SEE	No	Pole-Mounted Floodlights					
Wood Deck Floor	FA02		S.F. Floor Area	NOTE	No	Poles - Wood	FL01	No. of Poles		1, 3, 5	No
Concrete Deck Floor	FA03		S.F. Floor Area	BELOW	No	Poles - Steel	FL02	No. of Poles		1, 3, 5	No
Reinforced Concrete Floor	FA04		S.F. Floor Area		No	Poles - Aluminum and Concrete	FL03	No. of Poles		1, 3, 5	No
Balconies and Decks						Light Fixtures - Incandescent	FL04	No. of Fixtures		1, 3, 5	No
Wood Balcony/Deck	B001		S.E. Floor Area	1, 3, 5	No	Light Fixtures - Fluorescent	FL05	No. of Fixtures		1, 3, 5	No
Concrete Balcony/Deck	B002		S.F. Floor Area	1, 3, 5	No	Light Fixtures - Mercury Vapor	FL06	No. of Fixtures		1, 3, 5	No
Steel/Concrete Balcony/Deck	B003		S.F. Floor Area	1, 3, 5	No	Mobile Home Parks/Drive-In Theatres					
Floor Grating						Drive-In Theatre	HT01	No. of Spaces		1 thru 5	No
Steel Grating	FG01		S.F. Grating Ar.	1, 3, 5	No	Mobile Home Park	HT02	No. of Spaces		1 thru 5	No
Aluminum Grating	FG02		S.F. Grating Ar.	1, 3, 5	No	Theatre Screen	HT03		S.F. Screen Ar.		No
Plastic Grating	FG03		S.F. Grating Ar.	1, 3, 5	No	Utility Buildings					
Roof Adjustments						Wood Frame	UB01		S.F. Floor Area	1, 3, 5	No
Light Wood	RA01		S.F. Roof Area		No	Wood Frame with Metal Siding	UB02		S.F. Floor Area	1, 3, 5	No
Heavy Timber	RA02		S.F. Roof Area		No	Concrete Block	UB03		S.F. Floor Area	1, 3, 5	No
Steel	RA03		S.F. Roof Area	SEE	No	Shed Learning Addition	UB04		S.F. Floor Area	1, 3, 5	No
Concrete	RA04		S.F. Roof Area	NOTE	No	Greenhouses					
Galvanized Steel	RA05		S.F. Roof Area	BELOW	No	Unheated	GH01		S.F. Floor Area	1, 3, 5	Yes
Enamelled Steel	RA06		S.F. Roof Area		No	Heated	GH02		S.F. Floor Area	1, 3, 5	Yes
Insulated Sandwich Panels	RA07		S.F. Roof Area		No	Utility Building/Greenhouse Flooring					
Precast Concrete	RA08		S.F. Roof Area		No	Wood Floor	FB01		S.F. Floor Area	1, 3, 5	No
Canneries	RA09		S.F. Canopy Ar.		No	Concrete Floor	FB02		S.F. Floor Area	1, 3, 5	No
Wide Span Roofing						Fencing and Gates					
Wood Truss	VR01	Span Width	S.F. Roof Area	1, 3, 5	Yes	Wood Fence	FG01	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Wood Glu-Lam Beam	VR02	Span Width	S.F. Roof Area	1, 3, 5	Yes	Concrete Block Fence	FG02	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Steel Truss	VR03	Span Width	S.F. Roof Area	1, 3, 5	Yes	Brick/Stone Fence	FG03	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Precast Concrete Beam	VR04	Span Width	S.F. Roof Area	1, 3, 5	Yes	Chain Link Fence	FG04	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Bank Vaults and Door						Chain Link Spring Gate	FG05	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Cash Type Bank Vault	BV01		S.F. Floor Area	None	No	Wood Sliding Gate	FG07	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Record Type Bank Vault	BV02		S.F. Floor Area	None	No	Extra Rail/Barbed Wire Top Bracket	FG08	Fence Hgt. (Ft.)	Fence Lgt. (Ft.)	1, 3, 5	Yes
Cash Type Vault Door	BV03	Door Thickness	S.F. Door Area	None	No	Marine Boats					
Record Type Vault Door	BV04	Door Thickness	S.F. Door Area	None	No	Small Boat Storage	MB01		S.F. Area	1 thru 5	No
Bank Accessories						Enclosure Roof	MB02		S.F. Area	1 thru 5	No
Drive-In Windows	BA01	No. of Units		1, 3, 5	No	Enclosure Walls	MB03		S.F. Area	1 thru 5	No
Night Depositories	BA02	No. of Units		1, 3, 5	No	Ship Dock	MB04		S.F. Area	1 thru 5	No
Pneumatic Tube System	BA03	No. of Stations		1, 3, 5	No	Marine Bulkhead - Wood	MB05		L.F. Perimeter	1 thru 5	No
Cold Storage Rooms						Marine Bulkhead - Steel	MB06		L.F. Perimeter	1 thru 5	No
Cooler (35° - 40°)	CS01		S.F. Floor Area	None	No	Marine Bulkhead - Concrete	MB07		L.F. Perimeter	1 thru 5	No
Chiller (35° - 35°)	CS02		S.F. Floor Area	None	No	Bulkhead - Residential Type	MB08		L.F. Perimeter	1 thru 5	No
Freezer (-15° - 5°)	CS03		S.F. Floor Area	None	No	Grain Elevators					
Quick Freezer (-45° - -15°)	CS04		S.F. Floor Area	None	No	50 Foot Height	GE01	Diameter (Ft.)	Perimeter (Ft.)	None	No
Escalators						70 Foot Height	GE02	Diameter (Ft.)	Perimeter (Ft.)	None	No
10 Foot Height	EF01	No. of Flights	Unit Width	1, 3, 5	Yes	90 Foot Height	GE03	Diameter (Ft.)	Perimeter (Ft.)	None	No
12 Foot Height	EF02	No. of Flights	Unit Width	1, 3, 5	Yes	110 Foot Height	GE04	Diameter (Ft.)	Perimeter (Ft.)	None	No
14 Foot Height	EF03	No. of Flights	Unit Width	1, 3, 5	Yes	130 Foot Height	GE05	Diameter (Ft.)	Perimeter (Ft.)	None	No
16 Foot Height	EF04	No. of Flights	Unit Width	1, 3, 5	Yes	Headhouse/Conveyor Gallery	GE06	Enter Yes or No		None	No
18 Foot Height	EF05	No. of Flights	Unit Width	1, 3, 5	Yes	Industrial Stacks/Chimneys					
20 Foot Height	EF06	No. of Flights	Unit Width	1, 3, 5	Yes	Unlined Brick	IC01	Diameter (Ft.)	Height (Ft.)	None	No
Elevators						Lined Firebrick	IC02	Diameter (Ft.)	Height (Ft.)	None	No
Passenger - Auto. - Local	EV01	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Concrete	IC03	Diameter (Ft.)	Height (Ft.)	None	No
Passenger - Auto. - Express	EV02	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Cranways					
Passenger - Manual - Local	EV03	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Indoor	CU01	Capacity (Tons)	Length (Ft.)	None	No
Passenger - Manual - Express	EV04	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Outdoor	CU02	Capacity (Tons)	Length (Ft.)	None	No
Passenger - Hydraulic	EV05	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Truck Scales	CS01	Capacity (Tons)		None	No
Freight - Electric	EV06	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Loading Decks					
Freight - Hydraulic	EV07	No. of Units	Capacity (Lbs.)	1, 3, 5	Yes	Lightwood Deck	LD01		S.F. Surface Ar.	1 thru 5	No
Passenger Elevators - Total Stops	EV08	No. of Stops		1, 3, 5	Yes	Heavy Timber Deck	LD02		S.F. Surface Ar.	1 thru 5	No
Freight Elevators - Total Stops	EV09	No. of Stops		1, 3, 5	Yes	Concrete Deck	LD03		S.F. Surface Ar.	1 thru 5	No
Sidewalk - Electric	EV10	No. of Units		None	No	Deck Ramp	LD04		S.F. Surface Ar.	1 thru 5	No
Sidewalk - Hydraulic	EV11	No. of Units		None	No	Ramp Floor to Floor	LD05		S.F. Surface Ar.	1 thru 5	No
Sidewalk - Manual	EV12	No. of Units		None	No	Mechanical Leveler	LD06		S.F. Surface Ar.	None	No
Dumbwaiters - Electric	EV13	No. of Units		None	No	Hydraulic Leveler	LD07		S.F. Surface Ar.	None	No
Dumbwaiters - Manual	EV14	No. of Units		None	No	Railroad Sours					
Personal Lift - Vertical Belt Type	EV15	No. of Units		None	No	Bumper Stop	RB01	No. of Units		None	No
Personal Lift - Total Floors Over 2	EV16	No. of Units		None	No	Switch	RB02	No. of Units		None	No
						Pair Flasher Signals	RB03	No. of Units		None	No
						Sliding Trestle	RB04		Length (Ft.)	None	No
						Steel Grain Storage Tanks	ST01	No. of Tanks	Capacity (Bbl.)	None	No
						Elevated Storage Tanks					
						Wood Tank and Tower	ST01	Height (Ft.)	Capacity (Gal.)	None	No
						Steel Tank and Tower	ST02	Height (Ft.)	Capacity (Gal.)	None	No
						Bulk Petroleum Storage Tanks					
						Flat or Cone Roof	PT01	No. of Tanks	Capacity (Bbls.)	None	No
						Flat or Porton Roof	PT02	No. of Tanks	Capacity (Bbls.)	None	No
						Double Deck Roof	PT03	No. of Tanks	Capacity (Bbls.)	None	No
						Fuel Storage Tanks					
						Underground	FT01	No. of Tanks	Capacity (Gal.)	None	No
						Above Ground - Horizontal	FT02	No. of Tanks	Capacity (Gal.)	None	No
						Above Ground - Vertical	FT03	No. of Tanks	Capacity (Gal.)	None	No
						Propane Pressure Storage Tanks	PM01	No. of Tanks	Capacity (Gal.)	None	No
						Large Pressure Storage Tanks					
						5 PSI Hemisphere Type	LT01	No. of Tanks	Capacity (Bbls.)	None	No
						10 PSI Hemisphere Type	LT02	No. of Tanks	Capacity (Bbls.)	None	No
						20 PSI Hemisphere Type	LT03	No. of Tanks	Capacity (Bbls.)	None	No
						30 PSI Sphere Type	LT04	No. of Tanks	Capacity (Bbls.)	None	No
						50 PSI Sphere Type	LT05	No. of Tanks	Capacity (Bbls.)	None	No
						75 PSI Sphere Type	LT06	No. of Tanks	Capacity (Bbls.)	None	No

NOTE: QUALITY CODES FOR THESE ITEMS 1, 3, 4 & 5

Note Quality Codes  
 1 = Low  
 2 = Below Average  
 3 = Average  
 4 = Above Average  
 5 = High

**Exhibit V-8**  
**APPLICATION FOR FARMLAND ASSESSMENT**  
**REFER TO EXCERPTS OF THE LAW AND INSTRUCTIONS BEFORE COMPLETING**

DIV. OF TAXATION

COUNTY \_\_\_\_\_ MUNICIPALITY \_\_\_\_\_ TAX YEAR \_\_\_\_\_  
**SECTION 1 - IDENTIFICATION INFORMATION** (Please print or type all information)

(1) Owner's Name \_\_\_\_\_ (8) Farm operator(s) other than owner: \_\_\_\_\_  
(2) Mailing Address \_\_\_\_\_ (a1) Name \_\_\_\_\_  
\_\_\_\_\_ (b1) Address \_\_\_\_\_  
(3) Telephone ( ) \_\_\_\_\_ (c1) Telephone ( ) \_\_\_\_\_  
(4) Land Location \_\_\_\_\_ (a2) Name \_\_\_\_\_  
(5) Block(s) Lot(s) \_\_\_\_\_ (b2) Address \_\_\_\_\_  
(a) Qualification No (if assigned by assessor) \_\_\_\_\_ (c2) Telephone ( ) \_\_\_\_\_  
(6) The land is ☐ farmed solely by owner  
☐ rented to farmer  
☐ farmed by owner and tenant  
(7) Is farm deed restricted to agriculture? Yes ☐ No ☐ # of Acres \_\_\_\_\_  
(c2) Telephone ( ) \_\_\_\_\_

**SECTION 2 - BREAKDOWN OF LAND USE CLASSES** (All entries and totals must be accurate)

Insert the current year's acreage in the appropriate land use class. Indicate acres to the nearest hundredth (0.00) - DO NOT USE DIMENSIONS

REFER TO DEFINITIONS OF LAND USE CLASSES UNDER "INSTRUCTIONS"		Acreage	
ACTIVELY DEVOTED LAND		LAND NOT ACTIVELY DEVOTED	
(1) Cropland harvested	(1) _____	(8) Land under and land used in connection with farmhouse	(8) _____
(2) Cropland pastured	(2) _____	(9) All other land not devoted to agricultural or horticultural use	(9) _____
(3) Permanent pasture	(3) _____	(10) TOTAL NOT DEVOTED TO AGRICULTURAL OR HORTICULTURAL USE (Sum of lines 8 & 9)	(10) _____
(4) Non-appurtenant woodland (See instructions before making entry)	(4) _____	(11) TOTAL ACREAGE OF ALL LAND (Sum of lines 7 & 10)	(11) _____
(5) Appurtenant woodland or wetland (See instructions before making entry)	(5) _____	If less than 5 acres, cite the municipality, block(s) and lot(s) of contiguous acreage in adjacent municipality	
(6) Acres used for (don't include pastured acres)	(6) _____	(12) Is there a claim for land under:	
(a) _____ (b) _____ (c) _____	(6) Total a, b & c	• Seasonal farm markets? Yes <input type="checkbox"/> No <input type="checkbox"/>	
(7) TOTAL DEVOTED TO AGRICULTURAL OR HORTICULTURAL USE (Sum of lines 1 to 6)	(7) _____	• Seasonal agricultural labor housing? Yes <input type="checkbox"/> No <input type="checkbox"/>	

**SECTION 3 - CURRENT YEAR FARMING ACTIVITY** - Indicate acres to nearest tenth (0.0). Include Double Cropping, for example, two plantings on fifty acres should be reported as 100.0 acres.

INSERT CURRENT YEAR HARVESTED OR TO BE HARVESTED ACRES FOR LAND ONLY IN SECTION II

<b>A. FIELD CROPS (Harvested Acres)</b>	<b>Acres</b>	<b>Tree &amp; shrubs (nursery)</b> (30) _____	<b>Eggplant</b> (53) _____
Irrigated Acres (80) _____		<b>Sod (cultivated)</b> (31) _____	<b>Lettuce</b> (54) _____
Barley (grain) (11) _____		<b>Christmas trees</b> (32) _____	<b>Onions</b> (55) _____
Corn for grain (12) _____		<b>Other</b> (specify) _____	<b>Peas</b> (56) _____
Corn for silage (13) _____		<b>D. LIVESTOCK</b>	<b>Peppers (sweet)</b> (57) _____
Hay (alfalfa) (15) _____		<b>Avg. No. of Livestock</b>	<b>Potatoes (white)</b> (58) _____
Hay (other excluding salt hay) (16) _____			<b>Potatoes (sweet)</b> (59) _____
Oats (grain) (17) _____		<b>All beef cattle</b> (33) _____	<b>Pumpkins</b> (60) _____
Rye (grain) (18) _____		<b>Dairy</b> (34) _____	<b>Spinach</b> (61) _____
Sorghum (19) _____		<b>Dairy (young)</b> (35) _____	<b>Squash</b> (62) _____
Soybeans (20) _____		<b>Horses &amp; ponies</b> (36) _____	<b>Tomatoes</b> (63) _____
Wheat (21) _____		<b>Sheep</b> (37) _____	<b>Melons</b> (64) _____
Cover Crops Planted:		<b>Swine</b> (38) _____	<b>Mixed and other vegetable crops</b> (65) _____
(specify) _____		<b>Bees (Hives)</b> (39) _____	<b>Other crops:</b> (specify) _____
Other Field Crops:		<b>Ducks</b> (40) _____	<b>F. AQUACULTURE</b> <b>Acres</b>
(specify) _____		<b>Fur animals</b> (41) _____	<b>Clams, oysters (other specify)</b> (66) _____
<b>B. FRUIT CROPS (Bearing Acres)</b>	<b>Acres</b>	<b>Goats</b> (42) _____	<b>Fresh water, pond fish</b> (67) _____
Irrigated Acres (81) _____		<b>Chickens (meat)</b> (43) _____	<b>Other:</b> (specify) _____
Apples (22) _____		<b>Chickens (layers)</b> (44) _____	<b>G. ANNUAL HARVEST OF WOODLAND PRODUCTS</b> <b>Cords, Board Feet, Etc.</b>
Blueberries (23) _____		<b>Turkeys</b> (45) _____	<b>Fuelwood (cords)</b> (68) _____
Cranberries (24) _____		<b>Other:</b> (specify) _____	<b>Pulpwood (cords)</b> (69) _____
Grapes (25) _____		<b>E. VEGETABLE CROPS (Harvested Acres)</b>	<b>Timber (Bd. Ft.)</b> (70) _____
Nectarines (86) _____		<b>Acres</b>	<b>Other:</b> (specify) _____
Peaches (26) _____		<b>Irrigated Acres</b> (83) _____	<b>H. LAND IN FEDERAL GOVERNMENT PROGRAM</b>
Strawberries (27) _____		<b>Asparagus</b> (46) _____	<b>Name of Program</b> _____
Other fruit crops (specify) _____		<b>Beans, lima</b> (47) _____	<b>Program Number</b> _____
Non-bearing fruit (specify) _____		<b>Beans snap</b> (48) _____	<b>Acres in Program</b> (73) _____
<b>C. ORNAMENTAL CROPS</b>	<b>Acres</b>	<b>Cabbage</b> (49) _____	
Irrigated Acres (82) _____		<b>Carrots</b> (50) _____	
Bedding plants (28) _____		<b>Corn, sweet</b> (51) _____	
Flowers (cut) (29) _____		<b>Cucumbers</b> (52) _____	

**SECTION 4 - SIGNATURE AND VERIFICATION OF OWNER(S)** **ANNUALLY FILE BY AUGUST 1 (SEE INSTRUCTION 2d)**  
The undersigned declares under the penalties provided by law, that this application, including any accompanying schedules and statements, has been examined by him (her) and to the best of his (her) knowledge and belief is true and correct. Filing of this application is also a representation that the land will continue to be devoted to an agricultural or horticultural use during the year for which farmland assessment is requested.

Signature of Individual Owner or Co-owner \_\_\_\_\_ Date \_\_\_\_\_ OR Signature of Corporate Officer \_\_\_\_\_ Date \_\_\_\_\_ Corporate Name \_\_\_\_\_  
( ) APPROVED  
This application is ( ) DISAPPROVED  
RESERVED FOR OFFICIAL USE

Date \_\_\_\_\_ ASSESSOR  
APPLICATION IN DUPLICATE TO BE FILED WITH LOCAL TAX ASSESSOR  
TAXPAYER SHOULD RETAIN A COPY FOR HIS FILES  
(IF ENTRY MADE IN SECTION II, LINE 4, COPY MUST ALSO BE FILED WITH DEPT. OF ENVIRONMENTAL PROTECTION)



# INSTRUCTIONS

1. GENERAL.—For the purpose of these instructions, the term "farmland assessment" shall refer to valuation, assessment and taxation under the Farmland Assessment Act, C. 48, L. 1964, N.J.S.A. 54:4-23.1, et seq. Only one application form in duplicate shall be filed for each farm made up of contiguous land. Application form is to be filed with local tax assessor. If an entry is made in Section 2, line 4, Form WD-1 (woodland data form) must also be filed with this application.
2. GENERAL QUALIFICATIONS.—Land may be eligible for "farmland assessment" when it meets the following qualifications:
  - a. It has been actively devoted to agricultural or horticultural use for at least the 2 successive years immediately preceding the tax year for which "farmland assessment" is requested.
  - b. The area of the land actively devoted to agricultural or horticultural use, exclusive of the land upon which the farmhouse is located and such additional land as may be actually used in connection with the farmhouse, is not less than 5 acres.
  - c. Gross sales, fees, or payments average at least \$500 annually on the first 5 acres and on all acreage above 5 acres average sales of \$5.00 per acre on farmland and \$0.50 per acre on woodland and wetland. (See N.J.S.A. 54:4-23.5)
  - d. Application by the owner for "farmland assessment" has been made on or before August 1 of the year immediately preceding the tax year (See N.J.S.A. 54:4-23.13a and 54:4-23.8)

**SECTION 1-IDENTIFICATION INFORMATION**—Complete the information noted under this Section for items 1 through 8.

For item #1, "Owner's Name." List every individual, partnership or corporation having an interest in the land as owner.

For item #5, "Blocks and Lots." State block(s) and lot(s) as shown on the official tax map or page(s) and line(s) on the current year's tax list that make up a farm unit of contiguous land. This information may be obtained from your tax bill.

**SECTION 2-BREAKDOWN OF LAND USE CLASSES**—Complete the information noted under this Section for items 1 through 12.

For item #1, "Cropland Harvested." This is land that is the heart of a farming enterprise and represents the highest use of land in agriculture. All land from which a crop was harvested in the current year falls into this category.

For item #2, "Cropland Pastured." This is land that can be and often is used to produce crops but its maximum income may not be realized in a particular year.

For item #3, "Permanent Pasture." This is land that is not cultivated because its maximum economic potential is realized from grazing or as part of erosion control programs. Animals may or may not be part of the farm operation for land to be qualified in this category.

For item #4, "Non-appurtenant Woodland." This is woodland devoted exclusively to the production for sale of trees and forest products, except for Christmas trees which should be entered in the cropland harvested classification (item #1). Also woodland which is not "supported and subordinate" to land entered in land use classification #1, 2, or 3 should be entered under this classification (item #4). The owner of this classification of woodland must submit information noted under excerpt N.J.A.C. 18:15-2.7.

For item #5, "Appurtenant Woodland." This is woodland which is not devoted to the production for sale of trees and forest products, but nevertheless can be eligible for farmland assessment on the basis of being "beneficial to a tract of land" which is 5 acres or more and is otherwise actively devoted and qualified farmland (land uses #1, 2, or 3). Generally, only woodland acreage less than the otherwise actively devoted qualified farmland acreage (land uses #1, 2, or 3) will be considered as "appurtenant woodland." Woodland acreage exceeding the otherwise actively devoted farmland should only be entered as "appurtenant woodland" when proof of its benefit to the otherwise actively devoted farmland can be explained and substantiated to the assessor.

For item #6, "Acres Used for Boarding, Rehabilitating or Training Livestock." For this acreage to be deemed actively devoted to an agricultural use it must be contiguous to land which otherwise qualifies for farmland assessment.

For item #8, "Land Under And Land Used in Connection With Farmhouse." This is land on which a farmhouse is located, together with such land area as may be devoted to lawns, flower gardens, shrubs, swimming pools, tennis courts and like purposes related to the use and enjoyment of the farmhouse. This is land not deemed to be in agricultural or horticultural use and, therefore, is assessed and taxed in accordance with the true value standard.

For item #9, "All Other Land Not Devoted To Agricultural Or Horticultural Use." This is land other than used in connection with the farmhouse that is not devoted to an agricultural or horticultural use nor is it necessary to support or enhance land actively devoted to an agricultural or horticultural use. This land will be assessed and taxed in accordance with the true value standard.

For item #12 enter "YES" or "NO".

For purposes of this application certain land uses shall be considered to be in the categories as noted below:

Land Use	Category	Land Use	Category
Land under farm buildings	Cropland Harvested	Nurseries, Christmas trees	Cropland Harvested
Swampland, wetland	Appurtenant Woodland	Crops grown under glass	Cropland Harvested
Lakes, ponds, streams, irrigation ditches	Appurtenant Woodland	Wood and forest products	Non-appurtenant Woodland
Land in government programs	Cropland Harvested	Seasonal Farm Markets	Cropland Harvested
		Agricultural Labor Housing	

**SECTION 3-CURRENT YEAR FARMING ACTIVITY**—Complete this Section by inserting the current year acreage or other information that is specified.

**SECTION 4-SIGNATURE AND VERIFICATION**—In the case of multiple ownership, one of the owners may sign on behalf of the other co-owners, except corporate co-owners. Any such signer will be presumed to sign in behalf of the other non-corporate owners. In the case of a corporate owner, the full name of the corporation must be separately filed in, accompanied by the signature and the title of the corporate officer authorized to sign the application in its behalf.

## CHANGE IN USE-ALL APPLICANTS PLEASE NOTE

- a. When land, which is in agricultural or horticultural use and is being valued under the Farmland Assessment Act, is applied to a use other than agricultural or horticultural, it is subject to additional taxes, 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 "Farmland Assessment" 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.
- b. In the case of a change in use, the roll-back taxes shall be applicable in the year in which the change took place and in such of the 2 tax years, immediately preceding, in which the land was valued, assessed and taxed under the Farmland Assessment Act.

## FARMLAND ASSESSMENT EXCERPTS

N.J.S.A. 54:4-23.3 - Land shall be deemed to be in agricultural use when devoted to the production for sale of plants and animals useful to man, including but not limited to: forages and soil crops; grains and feed crops; dairy animals and dairy products; poultry and poultry products; livestock, including beef cattle, sheep, swine, horses, ponies, mules or goats, including the breeding, boarding, raising, rehabilitating, training or grazing of any or all of such animals, except that "livestock" shall not include dogs; bees pursuant to a soil conservation program under an agreement with an agency of the federal government... (See N.J.A.C. 18:15-2.7 for additional conditions imposed on woodland not deemed to be appurtenant).

N.J.S.A. 54:4-23.4 - Land shall be deemed to be in horticultural use when devoted to the production for sale of fruits of all kinds, including grapes, nuts and berries; vegetables; nursery, floral ornamental and greenhouse products; or when devoted to and meeting the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government.

N.J.S.A. 54:4-23.5 - 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 land used for grazing in the amount determined by the State Farmland Evaluation Advisory 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 farmland assessment, as long as income from one or more have averaged at least \$500.00 per year during the 2-year period immediately preceding the tax year in issue, or there is clear evidence of anticipated yearly gross sales and such payments amounting to at least \$500.00 within a reasonable period of time. In addition, where the land is more than five acres... (See instructions 2c)

N.J.S.A. 54:4-23.6 - Land which is actively devoted to agricultural or horticultural use shall be eligible for valuation, assessment and taxation as herein provided when it meets the following qualifications:

- (a) It has been so devoted for at least the two successive years immediately preceding the tax year for which valuation under this act is requested;
- (b) The area of such land is not less than five acres when measured in accordance with the provisions of section 11 hereof; and
- (c) Application by the owner of such land for valuation hereunder is submitted on or before August 1 of the year immediately preceding the tax year to the assessor of the taxing district in which such land is situated on the form prescribed by the Director of the Division of Taxation in the Department of the Treasury;
- (d) The assessor may grant an extension of time for filing an application required by this section, which extension shall terminate no later than September 1 of the year immediately preceding the tax year, in any event where it shall appear to the satisfaction of the assessor that failure to file by August 1 was due to (1) the illness of the owner and a certificate of a physician stating that the owner was physically incapacitated and unable to file on or before August 1 and the application is filed with the assessor; or (2) the death of the owner or an immediate member of the owner's family and a certified copy of the death certificate and the application is filed with the assessor by the individual legally responsible for the estate of the owner, or the owner, as the case may be.

As used in this act, "immediate family member" means a person's spouse, child, parent or sibling residing in the same household.

## EXCERPTS FROM N.J.A.C. 18:15-1 et seq.

(Adopted pursuant to P.L. 1986, c201)

N.J.A.C. 18:15-1.1 - "Appurtenant woodland" means a wooded piece of property which is contiguous to, part of, or beneficial to a tract of land, which tract of land has a minimum area of at least 5 acres devoted to agricultural or horticultural uses other than the production for sale of trees and forest products, exclusive of Christmas trees, to which tract of land the woodland is supportive and subordinate.

"Beneficial to a tract of land" means land which enhances the use of other land devoted to agricultural or horticultural production by providing benefits such as, but not limited to, windbreaks, watershed, buffers, soil erosion control, or other recognizable enhancements of the viability of the qualifying land.

"Supportive and subordinate woodland" means a wooded piece of property which is beneficial to or reasonably required for the purpose of maintaining the agricultural or horticultural uses of a tract of land, which tract of land has a minimum area of at least five acres devoted to agricultural or horticultural uses other than the production for sale of trees and forest products, exclusive of Christmas trees.

N.J.A.C. 18:15-2.7- Additional conditions to be fulfilled.

- (a) The owner of land which is devoted exclusively to the production for sale of trees and forest products other than Christmas trees or the owner of woodland which is not supportive and subordinate woodland shall annually submit to the assessor, in addition to a completed and timely filed application for farmland assessment (Form FA-1), the following accompanying information:
  1. A copy of a woodland management plan prepared in accordance with provisions noted under N.J.A.C. 18:15-2.10;
  2. A scaled map of the land showing the location of woodland activity and the soil group classes of the land; and
  3. A completed woodland data form (Form WD-1), as prescribed by the Director of the Division of Taxation.

N.J.A.C. 18:15-2.8 - Supportive and subordinate woodland presumption

- (a) A wooded piece of property as described in the definition of supportive and subordinate woodland in N.J.A.C. 18:15-1.1 shall be presumed to be supportive and subordinate woodland when its area is less than the area of the farmland property qualifying for agricultural or horticultural uses other than the production for sale of trees and forest products, exclusive of Christmas trees.
- (b) An owner claiming farmland assessment for a wooded piece of property exceeding the amount set forth in (a) above as presumed to be supportive and subordinate woodland shall submit an explanation and additional proofs the assessor may require, to support the claim that such woodland is supportive and subordinate.

**WOODLAND DATA FORM**  
**SUBMIT WITH APPLICATION FOR FARMLAND ASSESSMENT**  
**SEE REVERSE SIDE FOR FILING INFORMATION**

**TYPE OR PRINT**

MUNICIPALITY \_\_\_\_\_ COUNTY \_\_\_\_\_

File in each municipality where woodland is situated.

**SECTION I—IDENTIFICATION INFORMATION**

Owner's: Name \_\_\_\_\_ Phone ( ) \_\_\_\_\_

Mailing Address \_\_\_\_\_

Location of land (nearest road, etc.) \_\_\_\_\_

Block(s) and Lot(s) \_\_\_\_\_

If portions of the same tract are in more than one municipality, name the municipalities and give acreage in each. \_\_\_\_\_

How are boundary lines of woodland property established, i.e., fence, paint, blazes, etc.? \_\_\_\_\_

**SECTION II—WOODLAND MANAGEMENT INFORMATION**

Woodland Management Plan prepared by \_\_\_\_\_

Date plan prepared \_\_\_\_\_ Amount of acres in plan \_\_\_\_\_

Plan developed for year(s) \_\_\_\_\_ to \_\_\_\_\_

Date of last revision to plan previously submitted \_\_\_\_\_

Status of Woodland Management Plan (Check appropriate statement):

- ( ) New plan for the land is being filed with this form.  
( ) Revisions to plan are being filed with this form.  
( ) Plan previously filed continues to be followed.

NOTE—A PLAN MUST BE SUBMITTED THE FIRST TIME THIS FORM IS FILED

**SECTION III—FOREST MANAGEMENT PRACTICES COMPLETED DURING PAST YEAR\***

PRACTICE	ACRES	Products	Income received/	PRACTICE	ACRES	Comments
		Harvested (cords, board feet, etc.)	anticipated from sale of forest products or cost share payments			
Timber Stand Improvement (TSI)				Reforestation		
				Regeneration (Natural)		
Commercial Harvest				Weed Control		
				Treatment		
Firewood/Pulpwood				Insect Control		
				Treatment		
Sawtimber/Veneer				Prescribed Burning		
Other Products				Site Preparation		
Comments or description of other activities _____						

\*PLEASE BE CERTAIN TO SUBMIT A SCALED MAP SHOWING WOODLAND ACTIVITY

**SECTION IV—CERTIFICATION STATEMENTS (Owner and forester must sign)**

I certify that the above property is actively devoted to an agricultural use and I am following the approved woodland management plan and program as evidenced by the forest management practices completed this year.

I certify that I have reviewed this woodland data form, supporting schedules, and documents. I hereby attest that the forest management practices as listed on this form have been completed.

Signature (owner) \_\_\_\_\_ Date \_\_\_\_\_

Approved  
Forester's Name (print) \_\_\_\_\_

Signature (forester) \_\_\_\_\_ Date \_\_\_\_\_

FILE THIS FORM AND THE INFORMATION NOTED UNDER N.J.A.C. 18:15-2.7 WITH:

**LOCAL TAX ASSESSOR**  
**AND**  
**DIVISION OF PARKS AND FORESTRY**  
**BUREAU OF FOREST MANAGEMENT, CN 404**  
**TRENTON, NEW JERSEY 08625**

## FILING INFORMATION

WHO IS REQUIRED TO FILE THIS FORM? - An owner seeking farmland assessment status for land devoted exclusively to the production for sale of tree and forest products, with the exception of Christmas trees, is required to file this form. An owner of woodland not supportive or subordinate woodland as defined in N.J.A.C. 18:15-1.1 is also required to file this form. (Refer to N.J.A.C. 18:15-1.1 and 2.8)

IS THERE OTHER INFORMATION THAT I MUST FILE WITH THIS FORM? - Yes. In addition to completing and submitting this form and an application for farmland assessment, a map drawn to scale showing woodland activity during the past year is required to be filed on an annual basis. Also, a woodland management plan must be submitted with this form when it is initially filed. If still appropriate, the plan does not have to be resubmitted in subsequent tax years; however, any revisions to the plan are required to be filed. (Please be certain to check appropriate statement under "Status of Woodland Management Plan" in Section II of this form.)

WHEN AND WHERE DO I FILE? - An application together with all other information, must be filed annually on or before August 1 of the pretax year, with the local tax assessor and the Division of Parks & Forestry, Bureau of Forest Management. (Refer to excerpt N.J.S.A. 54:4-23.13a on the Farmland Assessment Application for further information regarding timely filing.)

WHAT IS A WOODLAND MANAGEMENT PLAN? - A woodland management plan is a written document prepared in accordance with criteria noted under N.J.S.A. 18:15-2.10.

HOW WILL COMPLIANCE WITH THE WOODLAND MANAGEMENT PLAN BE DETERMINED? - An approved forester must annually certify, as provided on this form, that a landowner is in compliance with the provisions of the filed woodland management plan. In addition, a forester from the Bureau of Forest Management will inspect the land at least once every three years to determine compliance with the submitted plan.

HOW DO I KNOW IF A FORESTER IS APPROVED? - The Bureau of Forest Management will provide a list of approved foresters on request. (The Department of Environmental Protection has adopted approved forester qualifications under N.J.A.C. 7:3-2.7.)

## EXCERPTS FROM REGULATIONS

N.J.A.C. 18:15-1.1 "Supportive and Subordinate woodland" means a wooded piece of property which is beneficial to or reasonably required for the purpose of maintaining the agricultural or horticultural uses of a tract of land, which tract of land has a minimum area of at least five acres devoted to agricultural or horticultural uses other than to the production for sale of trees and forest products, exclusive of Christmas trees.

N.J.A.C. 18:15-2.7 The owner of land which is devoted exclusively to the production for sale of trees and forest products other than Christmas trees or the owner of woodland which is not supportive and subordinate woodland shall annually submit to the assessor, in addition to a completed and timely filed application for farmland assessment (Form FA-1), the following accompanying information:

1. A copy of a woodland management plan prepared in accordance with provisions noted under N.J.A.C. 18:15-2.10;
2. A scaled map of the land showing the location of woodland activity and the soil group classes of the land; and
3. A completed woodland data form (Form WD-1), as prescribed by the Director of the Division of Taxation.

N.J.A.C. 18:15-2.8 Supportive and subordinate woodland presumption.

- (a) A wooded piece of property as described in the definition of subordinate woodland in N.J.A.C. 18:15-1.1 shall be presumed to be supportive and subordinate woodland when its area is less than the area of the farmland property qualifying for agricultural or horticultural uses other than the production for sale of trees and forest products, exclusive of Christmas trees.
- (b) An owner claiming farmland assessment for a wooded piece of property exceeding the amount set forth in (a) above as presumed to be supportive and subordinate woodland shall submit an explanation and additional proofs the assessor may require to support the claim that such woodland is supportive and subordinate.

# EXHIBIT V-10: Rollback Tax Worksheet

FORM RBTW  
DIVISION OF TAXATION  
JUNE, 1988

## ROLL-BACK TAX WORKSHEET

THIS FORM IS TO BE COMPLETED AND FILED BY THE ASSESSOR WITH A ROLL-BACK TAX COMPLAINT FORM OR WITHIN 5 DAYS OF NOTIFICATION BY THE COUNTY BOARD OF TAXATION THAT A COMPLAINT OF ROLL-BACK HAS BEEN FILED, AS THE CASE MAY BE.

Farm Town

Municipality

1. Block(s) & Lot(s) of land subject of complaint Block 1, Lot 1
2. Area of land subject to roll-back tax assessment 10 Acres
3. Current owner's name and mailing address Mr. Developer
4. Year(s) roll-back tax would be applicable if change in use is determined.  

1989	1988	1987
Year	Year	Year

A COPY OF THE TAX MAP IDENTIFYING THE LAND SUBJECT TO THE COMPLAINT MUST BE SUBMITTED WITH THIS FORM.

### ROLL-BACK COMPUTATION

	19 <u>89</u>	19 <u>88</u>	19 <u>87</u>
1. Full & Fair Value	\$ 500,000	450,000	400,000
2. X Common level percentage*	90%	95%	Revaluation Year
3. = Taxable Value if not assessed under P.L. 1964, c.48	\$ 450,000	427,500	400,000
4. - Assessment under the Farmland Assessment Act	\$ 9,000	8,900	8,800
5. = Assessment subject to roll-back tax	\$ 441,000	418,600	391,200
6. X Tax rate for each applicable roll-back tax year	\$ 1.90	1.82	1.75
7. = Roll-back taxes due	\$ 8,379	7,619	6,846

TOTAL AMOUNT OF PROJECTED ROLL-BACK TAXES \$ 22,844

\*COMMON LEVEL RANGE, pursuant to Section 5, Chapter 123, Laws of 1973, as amended by Chapter 51, Laws of 1979.

John Doe

Assessor's Signature

7/5/89

Date



EXHIBIT V-11: Complaint to Invoke Roll-back Taxes

**COUNTY**  
**BOARD OF TAXATION**

**COMPLAINT TO INVOKE ROLL-BACK TAXES**

(See reverse side for instructions and excerpts from statutes)

**SECTION A—LAND SUBJECT TO COMPLAINT**

1. Land located in \_\_\_\_\_ Municipality \_\_\_\_\_ County
2. Block(s) & Lot(s) of subject land \_\_\_\_\_
3. Owner of land \_\_\_\_\_
4. Owner's address \_\_\_\_\_
5. Size of land subject to change in use \_\_\_\_\_
6. Location of subject land \_\_\_\_\_
7. If known, this new tract was subdivided from: Block(s) & Lot(s) \_\_\_\_\_

**SECTION B—NATURE OF COMPLAINT**

1. Specify the nature of the change in use \_\_\_\_\_
2. Year of the change in use \_\_\_\_\_

**SECTION C—ROLL-BACK ASSESSMENTS (See Instruction No. 3)**

Tax Year	Qualified Farmland Assessment	Taxable Value if Not Q-Farm	Roll-back Assessment	Tax Rate	Projected Taxes
19 _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
19 _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
19 _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED TAXES \$ \_\_\_\_\_

**SECTION D—COMPLAINANT INFORMATION & SIGNATURE**

The complainant hereby alleges that the land herein described and assessed under the provisions of the Farmland Assessment Act of 1964 has changed to a use other than agricultural or horticultural.

Name of Complainant \_\_\_\_\_ Official Position (if any) \_\_\_\_\_

Address \_\_\_\_\_ Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

\_\_\_\_\_  
Signature of Complainant \_\_\_\_\_ Date \_\_\_\_\_

A COPY OF THIS COMPLAINT MUST BE FILED WITH THE \_\_\_\_\_ COUNTY BOARD OF TAXATION AND THE OWNER OF RECORD OF THE SUBJECT PROPERTY. NOTIFICATION OF THE TIME AND PLACE OF A HEARING ON THE ABOVE ROLL-BACK COMPLAINT WILL BE SENT BY THE BOARD TO ALL INTERESTED PARTIES.

## INSTRUCTIONS

1. This form is to be filed with the county board of taxation when it is alleged there is a change in the use of land, which is assessed under the provisions of the Farmland Assessment Act of 1964 (P.L. 1964, c.48), to a use other than agricultural or horticultural.
2. The complainant shall file the original of this form and a copy with the county board of taxation. A copy shall also be served by the complainant on the owner of the land which is the subject of the complaint.
3. If this complaint is filed by an individual in his or her capacity as a taxpayer of the municipality, Section C of the form does not have to be completed, unless the complainant taxpayer in addition to alleging a change in the use of the land is also prepared to submit evidence of such land's true value.

### **N.J.S.A. 54:4-23.8. Roll-back taxes; determination of amounts**

When land which is in agricultural or horticultural use and is being valued, assessed and taxed under the provisions of this act, 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 2 tax years immediately preceding, in which the land was valued, assessed and taxed as herein provided.

If in the tax year in which a change in use of the land occurs, the land was not valued, assessed and taxed under this act, then such land shall be subject to roll-back taxes for such of the 2 tax years, immediately preceding, in which the land was valued, assessed and taxed hereunder.

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, chapter 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.

### **N.J.S.A. 54:4-63.13. Hearing upon complaint, resolution or motion; notice; disbursements and per diem of collector of taxes**

On the written complaint of the collector of taxes, or any taxpayer, of the taxing district, or of the governing body thereof, or upon a resolution by the county board of taxation, of its own motion, the county board of taxation shall hear the matter. Any such complaint or motion shall specify the property alleged to have been omitted and the particular year of the assessment. At least five days notice in writing shall be given to the owner of the property of the time and place of the hearing and the notice shall specify the property alleged to have been omitted and the particular year of the assessment. The notice may be served by registered mail. The collector shall present such complaints and serve such notices as the governing body may direct and shall attend before the county board of taxation and subpoena proper witnesses and pay their fees. He shall receive reimbursement therefore and two dollars (\$2.00) for every day he shall attend for his services from the taxing district.

EXHIBIT V-12: Roll-back Assessment Notice of Hearing

FORM RBAH  
DIVISION OF TAXATION  
JUNE, 1988

**COUNTY  
BOARD OF TAXATION  
ROLL-BACK ASSESSMENT  
NOTICE OF HEARING**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_ 19 \_\_\_\_\_  
Block(s) & Lot(s) \_\_\_\_\_  
\_\_\_\_\_

THE \_\_\_\_\_ COUNTY BOARD OF TAXATION has fixed \_\_\_\_\_  
\_\_\_\_\_ as the date and time, and \_\_\_\_\_  
\_\_\_\_\_ as the place that a hearing on the complaint  
to invoke roll-back taxes will be heard.

Attached is a copy of the complaint filed with this Board. Your failure to appear at the herein scheduled hearing shall not preclude the Board from rendering judgment. The Board shall render judgment as shall be proper upon the proofs presented. If the Board approves the presented roll-back assessment or an adjusted assessment, such assessment will be listed on the next October 1 Omitted Assessment List. You will receive a tax bill from your local collector at least one week prior to the November 1 due date for payment of taxes.

Please advise the \_\_\_\_\_ County Board of Taxation by return mail of your intent to attend the hearing. If you do not plan to contest the complaint, your presence is not required.

\_\_\_\_\_  
COUNTY TAX ADMINISTRATOR





## EXHIBIT V-13: Roll-back Memorandum of Judgment

FORM RMJ  
DIVISION OF TAXATION  
JUNE, 1988

# ROLL-BACK MEMORANDUM OF JUDGMENT

\_\_\_\_\_  
Petitioner

vs

\_\_\_\_\_  
Respondent

A complaint in writing having been filed with the \_\_\_\_\_ County Board of Taxation that the property listed herein is subject to Roll-back Taxes pursuant to N.J.S.A. 54:4-23.8 and same having been heard on 19 \_\_\_\_.

It is therefore on this date \_\_\_\_\_ 19 \_\_\_\_, ORDERED, ADJUDGED and DECREED that a Roll-back Tax Assessment be entered as follows on the 19 \_\_\_\_\_. Omitted Assessment List:

Block and Lot	Year	Qualified Farmland Assessment	Non-Qualified Taxable Value	Roll-back Assessment	Tax Rate	Amount of Taxes
				Total Rollback Taxes		

It is further ORDERED that a copy of this Judgment be sent to the Assessor and Collector of the Taxing Municipality and the Owner of Property.

ROLL-BACK TAXES ARE PAYABLE TO THE TAXING MUNICIPALITY UPON RECEIPT OF A BILL FROM THE COLLECTOR OF THAT MUNICIPALITY.

COUNTY BOARD OF TAXATION

ATTEST: \_\_\_\_\_

County Tax Administrator

DATE MAILED: \_\_\_\_\_

## FILING COMPLAINT WITH TAX COURT

The Judgment of the County Board of Taxation may be appealed to the Tax Court of New Jersey by filing a complaint with the Clerk of the Tax Court within 45 days from the date of the service of the judgment (date of mailing). The Tax Court of New Jersey is located at the Richard J. Hughes Complex, 25 Market Street, Trenton, New Jersey 08625. Mailing Address: CN 972, Trenton, New Jersey 08625.

EXHIBIT V-14: Illustration of Flood Plains Area Designation

