

PUBLIC HEARING  
before  
ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE  
on  
A-3369  
(Farmland Retention and Development Bond Act)

Held:  
June 22, 1981  
Room 321  
State House  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman H. Donald Stewart, Chairman  
Assemblywoman Barbara McConnell  
Assemblyman Michael J. Matthews  
Assemblyman John O. Bennett

ALSO:

Norman Miller, Research Associate  
Office of Legislative Services  
Aide, Assembly Agriculture and Environment Committee

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Phillip Alampi Secretary New Jersey Department of Agriculture	1
Lauren DeCou President New Jersey Farm Bureau	11
Lewis Nagy Burlington County Farmland Preservation Advisory Committee	17
 ALSO SUBMITTED:	
Statement of New Jersey Conservation Foundation	1X
Statement of August W. Knispel, Dairy Farmer, Franklin Township, Hunterdon County, New Jersey	2X
Statement of Linda K. Bentz Associate Director Middlesex-Somerset-Mercer Regional Study Council, Inc.	4X
Statement of Benjamin B. Kirkland Deputy Director Board of Chosen Freeholders, Hunterdon County	7X
Statement of David W. Buchholz Chairman Agriculture Development Board of Hunterdon County	9X
Statement of John W. Kellogg Director Hunterdon County Planning Board	11X

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ASSEMBLY, No. 3369

STATE OF NEW JERSEY

INTRODUCED MAY 4, 1981

By Assemblymen STEWART, HERMAN, MATTHEWS, Assemblywoman McCONNELL, Assemblymen LESNIAK, BENNETT, Assemblywoman GLUCK, Assemblymen BASSANO and GORMLEY

Referred to Committee on Agriculture and Environment

AN ACT authorizing the creation of a debt of the State of New Jersey by issuance of bonds of the State in the sum of \$50,000,000.00 for the purchase of farmland or of the development rights to farmland and for cost-sharing of soil and water conservation projects; providing the ways and means to pay the interest of the debt and also to pay and discharge the principal thereof; providing for the submission of this act to the people at a general election; and making an appropriation therefor.

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

1 1. This act shall be known and may be cited as the "Farmland  
2 Retention and Development Bond Act."

1 2. The Legislature finds:

2 a. The development of agriculture and the retention of farmland  
3 are important to the present and future economy of the State and  
4 the welfare of the citizens of the State.

5 b. The future of agriculture will be determined by economic  
6 factors such as the capability to compete with all domestic and  
7 international productive areas. A primary factor in production  
8 efficiency for agriculture is long term planning in the management  
9 of soil and water resources and capital investments. This planning  
10 can only be accomplished where profitability and operating stability  
11 exists at motivating levels.

12 c. Capital investment by the State through the issuance of bonds  
13 is necessary and desirable to acquire title to land for resale for  
14 devotion to agricultural purposes or for the acquisition of ease-  
15 ments for the development rights to farmland that the same may  
16 be retained in economically viable agricultural production and to

17 assist through cost-sharing programs the long term development  
18 and management of farmland and the State's natural resources  
19 through soil and water conservation projects and programs.

1 3. As used in this act:

2 "Bonds" means the Farmland Retention and Development Bonds  
3 authorized to be issued pursuant to this act;

4 "Fund" means a special, separate fund in the State Treasury into  
5 which the proceeds of the sale of the bonds authorized by this act  
6 shall be deposited, to be known as the "Farmland Retention and  
7 Development Fund;"

8 "Issuing officials" means the Governor, the State Treasurer and  
9 the Comptroller of the Treasury or any two of those officials, and  
10 in case any of the foregoing officials shall be absent from the State  
11 or incapable of acting for any reason, a person authorized by law  
12 to act in their place as a State official.

1 4. The State Treasurer shall issue and promulgate, pursuant to  
2 law, necessary and appropriate rules and regulations to carry out  
3 the provisions of this act with respect to the issuance of the bonds.

1 5. Bonds in an amount of \$50,000,000.00 are authorized for the  
2 purpose of the retention and development of farmland for agri-  
3 cultural use and production. The proceeds from the sale of the  
4 bonds shall be deposited in a special fund to be designated the  
5 "Farmland Retention and Development Fund" for appropriation to  
6 the Department of Agriculture to fund up to 50% of the cost of (1)  
7 acquisition of development easements to farmland, that is, owners'  
8 rights to develop farmland for non agricultural purposes or (2)  
9 of title to farmland for resale for devotion to agricultural purposes  
10 or otherwise available for non-farm development, and (3) for up to  
11 50% cost-sharing with landowners of the non Federal share of  
12 soil and water conservation projects and improvements on eligible  
13 farmland.

1 6. Bonds shall be issued from time to time as the issuing officials  
2 shall determine.

1 7. The issuing officials are authorized to carry out the provisions  
2 of this act relating to the issuance of bonds, and shall determine  
3 all matters in connection therewith subject to the provisions of this  
4 act.

1 8. Bonds issued in accordance with the provisions of this act  
2 shall be a direct obligation of the State of New Jersey and the faith  
3 and credit of the State are pledged for the payment of the interest  
4 thereon as same shall become due and for the payment of the  
5 principal at maturity. The principal and interest of the bonds shall

6 be exempt from taxation by the State or by any county, municipality  
7 or other taxing district of the State.

1 9. Bonds shall be signed in the name of the State by the Governor  
2 or by his facsimile signature, under the Great Seal of the State, and  
3 attested by the Secretary of State, or an Assistant Secretary of  
4 State, and shall be countersigned by the facsimile signature of the  
5 Comptroller of the Treasury. Interest coupons attached to bonds  
6 shall be signed by the facsimile signature of the Comptroller of  
7 the Treasury. The bonds may be issued notwithstanding that any  
8 of the officials signing them or whose facsimile signatures appear  
9 on the bonds or coupons shall cease to hold office at the time of the  
10 issue or at the time of the delivery of the bonds to the purchaser.

1 10. a. Bonds shall recite that they are issued for the purposes  
2 set forth in section 5 of this act and that they are issued pursuant  
3 to this act and that this act was submitted to the people of the  
4 State at the general election held in the month of November, 1981  
5 and that it received the approval of the majority of votes cast for  
6 and against it at the election. This recital shall be conclusive evi-  
7 dence of the authority of the State to issue bonds and of their  
8 validity. Any bonds containing that recital shall in any suit, action  
9 or proceeding involving their validity be conclusively deemed to be  
10 fully authorized by this act and to have been issued, sold, executed  
11 and delivered in conformity herewith and with all other provisions  
12 of statutes applicable thereto, and shall be incontestable for any  
13 cause.

14 b. Bonds shall be issued in such denominations and in such form  
15 or forms, whether coupon or registered as to both principal and  
16 interest, and with or without such provisions for interchangeability  
17 thereof, as may be determined by the issuing officials.

1 11. When the bonds are issued from time to time the bonds of  
2 each issue shall constitute a separate series to be designated by the  
3 issuing officials. Each series of bonds shall bear such rate or rates  
4 of interest as may be determined by the issuing officials, which  
5 interest shall be payable semiannually; provided, that the first and  
6 last interest periods may be longer or shorter, in order that inter-  
7 vening semiannual payments may be at convenient dates.

1 12. Bonds shall be issued and sold at such price not less than the  
2 par value thereof and accrued interest thereon, and under such  
3 terms, conditions and regulations, as the issuing officials may pre-  
4 scribe, after notice of said sale, published at least once in at least  
5 three newspapers published in the State of New Jersey, and at least  
6 once in a publication carrying municipal bond notices and devoted

7 primarily to financial news, published in the city of New York or  
8 in New Jersey, the first notice to be at least 5 days prior to the day  
9 of bidding. The notice of sale may contain a provision to the effect  
10 that any or all bids in pursuance thereof may be rejected. In the  
11 event of that rejection or of failure to receive any acceptable bid,  
12 the issuing officials, at any time within 60 days from the date of the  
13 advertised sale, may sell bonds at private sale at a price not less  
14 than the par value thereof and accrued interest thereon and under  
15 such terms and conditions as the issuing officials may prescribe.  
16 The issuing officials may sell all or part of the bonds of any series  
17 as issued to any State fund or to the Federal Government or any  
18 agency thereof, at private sale, without advertisement.

1 13. Until permanent bonds can be prepared, the issuing officials  
2 may issue in lieu of permanent bonds temporary bonds in such  
3 form and with such privileges as to registration and exchange for  
4 permanent bonds as may be determined by the issuing officials.

1 14. The proceeds from the sale of the bonds shall be paid to the  
2 State Treasurer and be held by him in the "Farmland Retention and  
3 Development Fund" and be deposited in such depositories as may  
4 be selected by him to the credit of the fund.

1 15. a. The moneys in the fund are specifically dedicated and shall  
2 be applied to the cost of the purposes set forth in section 5 of this  
3 act, and all such moneys are appropriated for those purposes, and  
4 no such moneys shall be expended for those purposes, except as  
5 otherwise hereinbelow authorized, without the specific appropri-  
6 ation thereof by the Legislature, but bonds may be issued as herein  
7 provided notwithstanding the Legislature shall not have then  
8 adopted an act making specific appropriation of any of the moneys.  
9 Moneys in the fund may be appropriated or expended for the  
10 purpose of providing all or part of the non-Federal share of any  
11 Federal program which provides financial assistance for soil or  
12 water conservation projects or programs or governmental acquisi-  
13 tion of title to land or of easements for development rights to farm-  
14 land authorized by State law.

15 b. At any time prior to the issuance and sale of bonds under this  
16 act, the State Treasurer is authorized to transfer from any available  
17 money in the treasury of the State to the credit of the fund such  
18 sum as he may deem necessary. The sum transferred shall be  
19 returned to the General Treasury by the State Treasury from the  
20 proceeds of the sale of the first issue of bonds.

21 c. Pending their application to the purposes provided in this act,  
22 moneys in the fund may be invested and reinvested as other trust

23 funds in the custody of the State Treasurer in the manner provided  
24 by law. Net earnings received from the investment or deposit of  
25 the fund shall be paid into the General State Fund.

1 16. In case any coupon bonds or coupons thereunto appertaining  
2 or any registered bond shall become lost, mutilated or destroyed, a  
3 new bond shall be executed and delivered of like tenor, in substitu-  
4 tion for the lost, mutilated or destroyed bonds or coupons, upon  
5 the owner furnishing to the issuing officials evidence satisfactory  
6 to them of the loss, mutilation or destruction, proof of ownership  
7 and such security and indemnity and reimbursement for expenses  
8 as the issuing officials may require.

1 17. Accrued interest received upon the sale of the bonds shall be  
2 applied to the discharge of a like amount of interest upon the bonds  
3 when due. Any expense incurred by the issuing officials for advertis-  
4 ing, engraving, printing, clerical, legal or other services necessary  
5 to carry out the duties imposed upon them by the provisions of this  
6 act shall be paid from the proceeds of the sale of bonds, by the State  
7 Treasurer upon warrant of the Comptroller of the Treasury, in  
8 the same manner as other obligations of the State are paid.

1 18. Bond of each series issued hereunder shall mature in install-  
2 ments commencing not later than the fifth year and ending not later  
3 than the thirty-fifth year from the date of issue of such series, and  
4 in such amounts as shall be determined by the issuing officials, but  
5 the issuing officials may reserve to the State by appropriate pro-  
6 vision in the bonds of any series the power to redeem all or any of  
7 such bonds prior to maturity at such price or prices and upon such  
8 terms and conditions as may be provided in such bonds.

1 19. The issuing officials may at any time and from time to time  
2 issue refunding bonds for the purpose of refunding in whole or in  
3 part an equal principal amount of the bonds of any series issued  
4 and outstanding hereunder, which by their terms are subject to  
5 redemption prior to maturity, provided the refunding bonds shall  
6 mature at any time or times not later than the latest maturity date  
7 of that series, and the aggregate amount of interest to be paid on  
8 the refunding bonds, plus the premium, if any, to be paid on the  
9 bonds refunded, shall not exceed the aggregate amount of interest  
10 which would be paid on the bonds refunded if the bonds were not so  
11 refunded. Refunding bonds shall constitute direct obligations of  
12 the State of New Jersey, and the faith and credit of the State are  
13 pledged for the payment of the principal thereof and the interest  
14 thereon. The proceeds received from the sale of refunding bonds  
15 shall be held in trust and applied to the payment of the bonds re-

16 funded thereby. Refunding bonds shall be entitled to all the bene-  
17 fits of this act and subject to all its limitations except as to the  
18 maturities thereof and to the extent herein otherwise expressly  
19 provided.

1 20. To provide funds to meet the interest and principal payment  
2 requirements for the bonds issued under this act and outstanding,  
3 there is appropriated in the order following:

4 a. Revenue derived from the collection of taxes as provided by the  
5 "Sales and Use Tax Act," P. L. 1966, c. 30 (C. 54:32B-1 et seq.), or  
6 so much thereof as may be required; and

7 b. If in any year or at any time funds, as hereinabove appro-  
8 priated, necessary to meet interest and principal payments upon  
9 outstanding bonds issued under this act, be insufficient or not avail-  
10 able then and in that case there shall be assessed, levied and  
11 collected annually in each of the municipalities of the counties of  
12 this State a tax on real and personal property upon which municipal  
13 taxes are or shall be assessed, levied and collected, sufficient to meet  
14 the interest on all outstanding bonds issued hereunder and on such  
15 bonds as it is proposed to issue under this act in the calendar year  
16 in which the tax is to be raised and for the payment of bonds falling  
17 due in the year following the year for which the tax is levied. The  
18 tax thus imposed shall be assessed, levied and collected in the same  
19 manner and at the same time as other taxes upon real and personal  
20 property are assessed, levied and collected. The governing body of  
21 each municipality shall cause to be paid to the county treasurer of  
22 the county in which the municipality is located, on or before Decem-  
23 ber 15 in each year, the amount of tax herein directed to be assessed  
24 and levied, and the county treasurer shall pay the amount of said  
25 tax to the State Treasurer on or before December 20 in each year.

26 If on or before December 31 in any year the issuing officials shall  
27 determine that there are moneys in the General State Fund beyond  
28 the needs of the State, sufficient to meet the principal of bonds  
29 falling due and all interest payable in the ensuing calendar year,  
30 then and if the issuing officials shall by resolution find and shall file  
31 the same in the office of the State Treasurer, whereupon the State  
32 Treasurer shall transfer such moneys to a separate fund to be  
33 designated by him, and shall pay the principal and interest out of  
34 the fund as the same shall become due and payable, and the other  
35 sources of payment of the principal and interest provided for in  
36 this section shall not then be available, and the receipts for that  
37 year from the tax specified in subsection a. of this section shall  
38 thereon be considered and treated as part of the General State  
39 Fund, available for general purposes.

1 21. Should the State Treasurer, by December 31 of any year,  
2 deem it necessary, because of insufficiency of funds to be collected  
3 from the sources of revenues as hereinabove provided, to meet the  
4 interest and principal payments for the year after the ensuing  
5 year, then the treasurer shall certify to the Comptroller of the  
6 Treasury the amount necessary to be raised by taxation for those  
7 purposes, the same to be assessed, levied and collected for and in  
8 the ensuing calendar year. In that case the Comptroller of the  
9 Treasury shall, on or before March 1 following, calculate the  
10 amount in dollars to be assessed, levied and collected as herein set  
11 forth in each county. The calculation shall be based upon the  
12 corrected assessed valuation of the county for the year preceding  
13 the year in which the tax is to be assessed, but the tax shall be  
14 assessed, levied and collected upon the assessed valuation of the  
15 year in which the tax is assessed and levied. The Comptroller of  
16 the Treasury shall certify that amount to the county board of taxa-  
17 tion and the county treasurer of each county. The county board of  
18 taxation shall include the proper amount in the current tax levy  
19 of the several taxing districts of the county in proportion to the  
20 ratables as ascertained for the current year.

1 22. For the purpose of complying with the provisions of the State  
2 Constitution this act shall, at the general election to be held in  
3 the month of November, 1981 be submitted to the people. In order  
4 to inform the people of the contents of this act it shall be the duty  
5 of the Secretary of State, after this section shall take effect, and at  
6 least 15 days prior to the election, to cause this act to be published  
7 in at least 10 newspapers published in the State and to notify the  
8 clerk of each county of this State of the passage of this act, and the  
9 clerks respectively, in accordance with the instructions of the Secre-  
10 tary of State, shall cause to be printed on each of the ballots, the  
11 following:

12 If you approve the act entitled below, make a cross (X), plus  
13 (+), or check (✓) mark in the square opposite the word "Yes."

14 If you disapprove the act entitled below, make a cross (X), plus  
15 (+), or check (✓) mark in the square opposite the word "No."

16 If voting machines are used, a vote of "Yes" or "No" shall be  
17 equivalent to such markings respectively.

	Yes.	<p style="text-align: center;">FARMLAND RETENTION AND DEVELOPMENT BOND ISSUE</p> <p>Should the "Farmland Retention and Development Bond Act" which authorizes the State to issue bonds in the amount of \$50,000,000.00 for cooperation with counties and municipalities in the acquisition on a matching basis of farmland or owners' rights to develop it for non agricultural purposes that it remain in agricultural use and for matching up to 50% of the non Federal share of soil and water conservation projects, be approved?</p>
	No.	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act will provide \$50,000,000.00 for appropriation by the Legislature for (1) the acquisition of development easements to farmland, that is, owners' rights to develop farmland for non agricultural purposes, or (2) the purchase for resale as land devoted to agricultural use of farmland otherwise available for non-farm development, in either case up to 50% on a cost-sharing basis with other governmental or private funds to assure its continued devotion to agricultural production; and (3) for up to a 50% cost-sharing with landowners of the non Federal share of soil and water conservation projects and improvements on eligible farmland.</p>

18 The fact and date of the approval or passage of this act, as the  
 19 case may be, may be inserted in the appropriate place after the  
 20 title in the ballot. No other requirements of law of any kind or  
 21 character as to notice or procedure except as herein provided need  
 22 be adhered to.

23 The votes so cast for and against the approval of this act, by  
 24 ballot or voting machine, shall be counted and the result thereof  
 25 returned by the election officer, and a canvass of the election had in  
 26 the same manner as is provided for by law in the case of the election  
 27 of a Governor, and the approval or disapproval of this act so  
 28 determined shall be declared in the same manner as the result of an  
 29 election for a Governor, and if there shall be a majority of all the  
 30 votes cast for and against it at the election in favor of the approval  
 31 of this act, then all the provisions of this act not made effective  
 32 theretofore shall take effect immediately.

1 23. There is hereby appropriated the sum of \$5,000.00 to the  
2 Department of State for expenses in connection with the publica-  
3 tion of notice pursuant to section 22.

1 24. This section and sections 22 and 23 of this act shall take  
2 effect immediately and the remainder of the act shall take effect as  
3 and when provided in section 22.

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#### STATEMENT

The purpose of this bill is explained in the interpretive statement contained in section 22 of the bill.

The bond proposal has been reviewed and approved by the Capital Budgeting and Planning Commission.

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Suggested  
 Assembly  
 Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line	
1	Title	3	After "purchase of" insert "development easements on"
1	Title	3-4	Omit "or of the development rights to farmland" ; After "farmland and" insert "to provide State matching funds" ; Omit "cost-sharing of"
1	1	2	Omit "Retention and Development" insert "Preservation" After "Act" insert "of 1981"
1	2	1	After "finds" insert "and declares that"
1	2	4	After "State." insert "The future of agriculture has been threatened by suburban development of the State's prime farmland. This process has resulted in significant direct loss of agricultural land, idled many intervening acres, led to conflicts between suburban and agricultural uses, jeopardized the farmers right to farm, and frequently discouraged new agricultural investment."
1	2	13-14	After "acquire" omit "title to land for resale for devotion to agricultural purposes or for the acquisition of" insert ", in cooperation with counties and municipalities, development"
1	2	15	Omit "for the development rights to" and insert "on"

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line	
2	3	2-12	Omit entirely and insert after line 12 "a. 'Commission' means the New Jersey Commission on Capital Budgeting and Planning; b. 'Cost' as used with respect to cost of development easements or soil and water conservation projects, as defined herein, includes interest or discount on bonds; cost of issuance of bonds; the cost of inspection, appraisal, legal, financial, and other professional services, estimates and advice; and the cost of -organizational, administrative and other work and services, including salaries, supplies, equipment and materials necessary to administer this act; c. 'Development easement' means an interest in land, less than fee simple absolute title thereto, which interest represents the right to develop such lands for all nonagricultural purposes; d. 'Farmland' means land identified as prime, unique or of statewide importance according to criteria adopted by the New Jersey State Soil Conservation Committee, and land of local importance as identified by local agricultural preservation agencies established by law in cooperation with local Soil Conservation Districts, and which qualifies for lower property taxation pursuant to the 'Farmland

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page

Sec.

Line

Assessment Act of 1964, P.L. 1964, c.48  
(C.54:4-23.1 et seq.) and any other land on  
the farm which is necessary to accommodate  
farm practices as determined by the Department  
of Agriculture;

e. 'Farmland preservation program' means any  
program authorized by law which shall have as  
its principal purpose the long term preservation  
of significant masses of reasonably contiguous  
agricultural land and the maintenance and support  
of increased agricultural production as the first  
priority use of that land;

f. 'Fund' means the 'Farmland Preservation  
Fund' created pursuant to section 14 of this  
act.

g. 'Secretary' means the Secretary of  
Agriculture

h. 'Soil and water conservation project' means  
any project designed for the control and  
prevention of soil erosion and sediment damages,  
the control of non-point source pollution on  
agricultural lands, the impoundment, storage and  
management of water for agricultural purposes, or  
the improved management of land and soils to  
achieve maximum agricultural productivity."

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line	
2	4	1	Omit 'State Treasurer' insert "secretary"
2	4	3	Omit "with respect to the issuance of the bonds"  After "." insert " The secretary shall review and consider the findings and recommendations of the commission in the administration of the provisions of this act."
2	5	1-13	Omit entirely and insert new section 5. as follows:  "5. Bonds of the State of New Jersey in the aggregate amount of \$50,000,000.00 are authorized for the purpose of the preservation of farmland for agricultural use and production. The proceeds from the sale of the bonds shall be deposited in a special fund to be designated the 'Farmland Preservation Fund' for appropriation to the Department of Agriculture to provide grants to counties and municipalities for up to 50% of the cost of acquisition of development easements on farmland and to provide grants to landowners for up to 50% of the cost of soil and water conservation projects. All grants made pursuant to this act shall be with respect to land devoted to farmland preservation under programs established, subsequent to the effective date of this act, by a board, committee, or other public body specifically authorized by law to do so."

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line	
2	6	1	Omit "Bonds" insert "The bonds shall be serial bonds and known as 'Farmland Preservation Bonds' and as to each series, the last annual installment thereof (subject to redemption prior to maturity) shall mature and be paid not later than 35 years from the date of its issuance but may be issued in whole or in part for a shorter term. 'The bonds' After "time-to-time" insert "as money is required for the purposes aforesaid," After "officials" insert "herein named"
2	7	1	After "The" omit "issuing officials" insert "Governor, State Treasurer and the Comptroller of the Treasury or any two of such officials (herein referred to as "the issuing officials")"
2	7	4	After "act." insert "In case any of these officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by the person authorized by law to act in his place as a State official."
3	9	1	Omit "Bonds" insert "The bonds"
3	10	1	Omit "Bonds" insert "The bonds"
3	10	5-6	After "it" omit "received the approval of the majority of votes cast for and against it" insert

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line	
3	10	5-6	"was approved by a majority of the legally qualified voters of the State voting thereon"
3	10	7	After "issue" insert "the"
3	10	14	Omit "Bonds" insert "The bonds"
3	12	1	Omit "Bonds" insert "The bonds"
4	12	8	Omit "5" insert "7"
4	14	2	After "in" insert "a separate fund which shall be known as"
4	14	2-3	Omit "Retention and Development" insert "Preservation"
4	15	9-14	Omit entirely
5	18	1	Omit "Bond" insert "The bonds"
5	18	2	Omit "fifth" insert "tenth"
8	22	ballot	Omit entirely and insert new ballot form as follows:

FARMLAND PRESERVATION BOND ACT	
YES	Shall the act entitled "Farmland Preservation Bond Act" which authorizes the State to issue bonds in the amount of \$50,000,000.00 to fund up to 50 per cent of the cost of acquisition of development easements on farmland and for soil and water conservation projects on land devoted to farmland preservation under programs established by law, and which provides ways and means to pay the interest on the debt created by the sale of said bonds, be approved.
NO	

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line
9	23	3

INTERPRETIVE STATEMENT

Approval of this act will provide \$50,000,000.00 for appropriation by the Legislature for grants to counties and municipalities for up to 50% of the cost of the acquisition of development easements on farmland and for grants to landowners for up to 50% of soil and water conservation projects. Both types of grants would only be made with respect to land devoted to farmland preservation under programs established by a board, committee or other public body specifically authorized by law to do so.

For the purposes of this act, a development easement represents the interest in land which enables the owner to develop that land for non-agricultural purposes.

After  
Line

Insert new section 24 through 26 as follows:

"24. The secretary shall submit to the State Treasurer and the commission with the department's annual budget request a plan for the expenditure of funds from the 'Farmland Preservation Fund' for the upcoming fiscal year. This plan shall include the following information: a performance evaluation of the expenditures made from the fund to date; a description of programs planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of programs that are financed, in part or whole, by funds from the 'Farmland Preservation Fund'; and an estimate of expenditures for the upcoming fiscal year.

25. Immediately following the submission to the Legislature of the Governor's Annual Budget Message

Assembly  
Committee Amendments

to

Assembly Bill No. 3369

Amend:

Page	Sec.	Line
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the secretary shall submit to the relevant standing committees of the Legislature, as designated by the President of the Senate and the Speaker of the General Assembly, and to the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature, as reconstituted and continued by the Legislature from time to time, a copy of the plan called for under section 24 of this act, together with such changes therein as may have been required by the Governor's budget message.

26. Not less than 30 days prior to the secretary entering into any contract, lease, obligation, or agreement to effectuate the purposes of this act, the secretary shall report to and consult with the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature as reconstituted and continued from time to time by the Legislature."

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H. DONALD STEWART (Chairman): I would like to start this morning's meeting. My name is Don Stewart. I am Chairman of the Assembly Agriculture and Environment Committee. With me is Assemblyman Michael Matthews, representing Atlantic County.

The purpose of the meeting this morning is to discuss, as per the rules of the Assembly, at a public hearing any bond issue that has been proposed for consideration before the entire Assembly. With that in mind, we are holding a public hearing on Assembly Bill 3369 and the counter-part which has been introduced by Senator Zane, No. S-3233.

Our first witness this morning to discuss the Farmland Retention Development Bond Act will be representing the Department of Agriculture, Secretary Phillip Alampi.

S E C R E T A R Y P H I L L I P A L A M P I: Rather than read you a long prepared statement, Mr. Chairman, I will pass out a statement for the record. I know you are all working against time. You have other committee assignments. What I would rather do is let the statement speak for itself for the record in its entirety, and to answer any questions that you have, Mr. Chairman, or that Assemblyman Matthews who is here may have.

As you know, we have gone through this for a long time. You have been an awfully good committee to work with. The Oversight Committee has been very active. We have done our homework and we are fully supported by the entire agriculture community, and all we want is the privilege and the opportunity for the voters of this State, this November, to vote on the bond issue.

ASSEMBLYMAN STEWART: The statement is not that long. We have had some long ones. This is not a long one. Why don't you at least go through it and summarize your testimony -- either that or read the whole thing. It will give us a background, if you don't mind. I think with only three people testifying we do have time, unless you are running late.

SECRETARY ALAMPI: No, I'm all right. My time is your time.

THE FOLLOWING IS TESTIMONY OF SECRETARY PHILIP ALAMPI IN ITS ENTIRETY.

Agriculture is a strategic resource not only for the United States, but for New Jersey as well. It is a strategic and economic resource that needs the commitment of the State of New Jersey. The United States has the good fortune of being self-sufficient in most food needs. New Jersey, the most urban state in the nation, still has the ability to produce an equivalent of 25 percent of our food needs. Wisdom indicates, however, that we watch carefully the factors responsible for the vitality of Garden State agriculture lest, as with energy, we are unprepared for the future with no viable solutions left.

It is my pleasure today to have the opportunity to present to you, as members of the Assembly Agriculture and Environment Committee, the needs of production agriculture. Farming and farmlands should not be viewed solely as a use of about 25 percent of New Jersey's land area but as a business as well. The background on issues and recommendations for a Farmland Preservation Bond Act have been discussed in the report, "Grassroots: An Agriculture Retention and Development Program for New Jersey." It summarizes where we started, what has happened, and what commitment we need to make today if New Jersey is to continue being the Garden State.

The region's costly dependence on imported food, the loss of farms and farmland, and the shift to growing more grain crops at the expense of fruit, vegetable, milk and egg production are indications

of a trend that many observers of Garden State agriculture find disturbing. Nationally, many studies have researched efforts to reverse this trend by recommending broad policies, and many states are trying to establish lasting schemes to preserve the prime farmland they still have.

New Jersey's Grassroots Agricultural Retention and Development Program brought rural and agricultural leaders together to discuss these issues and concerns. These leaders, coming from many different backgrounds and specialties, represented the broad diversity of opinion that is found in those concerned for New Jersey agriculture. After long deliberations and scores of meetings, basic recommendations began to jell. No simple solution for agricultural retention came forth. But several interrelated recommendations along with the need for state bonding emerged:

- PROVIDE A STATE COMMITMENT TO AGRICULTURE.
- AUTHORIZE COUNTY GOVERNMENTS WORKING IN CONJUNCTION WITH MUNICIPALITIES TO PLAN AND IMPLEMENT A SERIES OF AGRICULTURAL LAND USE TECHNIQUES BEST SUITED TO THEIR RESPECTIVE AREAS.
- DECLARE THE POLICY OF THE STATE OF NEW JERSEY WITH RESPECT TO THE RIGHTS OF A LANDOWNER TO USE HIS LAND FOR AGRICULTURAL PURPOSES AND TO APPLY RECOGNIZED METHODS AND TECHNIQUES IN CONNECTION WITH THE BUSINESS OF AGRICULTURAL PRODUCTION.
- FOSTER INVESTMENT IN FARM STRUCTURES WHEN A FARM ENTERS AN AGRICULTURAL RETENTION PROGRAM.
- IMPROVE THE BUSINESS CLIMATE FOR FARMING.
- IMPLEMENT A LIMITED EASEMENT PURCHASE PROGRAM WITH MATCHING COUNTY AND/OR LOCAL GOVERNMENT FUNDING.
- PROVIDE FOR A STATE FUNDED SOIL AND WATER CONSERVATION PROGRAM TIED TO AGRICULTURAL RETENTION PROGRAMS.

farmland retention program.

New Jersey voters have consistently approved "Green Acres" bond issues totalling \$540 million. A "Farmland Preservation" bond of \$50 million would add balance to the State's efforts to protect our natural resources. The farmlands on which the bond money is invested will still be taxpaying, productive resources for our citizens.

This bonding request is for more than just purchasing easements on agricultural land. It is also for implementing a soil and water cost-sharing program with farmland owners. This program would provide a means for improving the productive capabilities of farmland in a retention program. The State would be insuring that the farmland it is investing in has soil conservation practices applied. It adds up to something that farmers have always pursued....efficiency, and something the State wants - protection of a natural resource that produces a necessity of life.

Grassroots is a voluntary program which is flexible to meet local needs -- it does not mandate participation.

Food surpluses are now history. Everytime there is a disaster, we turn to Washington. The days of passing on the problem are over. Today, we can start the process of doing something for ourselves before the crisis sets in. A \$50 million dollar cost-sharing program on the November 1981 ballot would be a catalyst for the other less costly processes that Grassroots has started.

SECRETARY ALAMPI: (Continuing) We think that a vote by the public will be the best commitment to agriculture in the State and we would like to have the opportunity to present it to them.

ASSEMBLYMAN STEWART: Thank you, Mr. Secretary. How do you respond to the question we receive -- I would like to hear your answer to it -- that asks how this plan differs from the test plan that was tested in Burlington County? What improvements have been made, and what changes have been made? How is this different?

SECRETARY ALAMPI: In the Burlington County project, that was not all local. That was primarily at a State level. This is strictly all local, local and county, through county development boards. They make up the decision-making. In other words, it is also a voluntary program, and the Burlington County project was strictly all development easement. In this we have a district plan - an agriculture district plan - we have the development easement, and we have other techniques that we intend to use. So, it is wider in scope. It is voluntary in scope. And, it is not State dominated, as was the development easement project concept that we came up with in the Burlington County project in 1975.

ASSEMBLYMAN STEWART: There is a possibility of \$100 million being used altogether. The local municipality and county would come up with half. Is there going to be follow-up legislation at some point to get to some more specifics as to how those things are done? The question we are dealing with today is simply putting the issue to the people -- if they want us to pursue this type of question. Is it your opinion that this is enough money? I obviously don't think it is too much money.

SECRETARY ALAMPI: I would rather start, Mr. Chairman, with a smaller amount - as this is - and gain the experience with it and see how we go. Green Acres started out with a small issue, if you remember, way back in the '60's. Let's watch this and make it successful and then we can proceed accordingly.

ASSEMBLYMAN STEWART: What were some of the problems in Burlington County with that test program? Most of us were involved with that. I guess the overriding concern near the end was we were just not going to have enough funds to do it the way we had hoped to do it. We were talking about roughly \$15 million at that time.

SECRETARY ALAMPI: Well, at that time we had a \$5 million project going for us out of Green Acres money, and the prediction was that we were to use only the development easement concept. That would be a very, very high multi-million dollar project.

In this grass roots approach, by using several techniques we find it will be a smaller amount and we can accomplish the same thing we try to do with all development easement programs.

ASSEMBLYMAN STEWART: Have any of the states, or counties in the states that you have mentioned, tried this approach, where they tried matching funds with local and county government, and if so has the local municipal government been agreeable to come up with their share of the funds?

SECRETARY ALAMPI: I am not sure, unless our staff people who are here, Mr. Chairman, can answer that. I am not sure whether they have gone the matching basis, as we have gone - fifty-fifty - or whether theirs was all state, or whether it is a different figure than fifty-fifty. I will have to defer to them. I don't know.

RICHARD CHUMNEY: Mr. Chairman, to the best of my knowledge it is not on a matching basis in Massachusetts, Connecticut, etc. They picked up the program, basically, as we had tried it in Burlington County. To my knowledge, they are basically following a single approach, easement purchase, and they are having successive appropriations for that.

ASSEMBLYMAN STEWART: Are there any other questions for the Secretary?

ASSEMBLYWOMAN MC CONNELL: Yes, Mr. Secretary, in your statement you point out that part of this program will be to improve the business climate for farming. Would you

elaborate on what you think we need to do as a state in order to improve the business climate -- what incentives we need to provide?

SECRETARY ALAMPI: One of the problems that the business community has been faced with is: How do we know that agriculture is going to survive in New Jersey, and why should be put up, let's say, a new processing plant, or enlarge our processing plant, or remodel our processing plant, or what have you, if we are not assured of having the land there? They are not going to put that kind of money out. A good example of that is the Seabrook operation, a nine million dollar operation down in Montgomery County, which you have seen.-- a great thing right there in the heart of that green bean county and spinach country. Well, if they weren't sure the land was going to be there, it would be foolish for them to put that kind of money into a project of that type. That's what we mean by improving the business climate. I am using one example, and this can be duplicated over and over again. We need to do more of that. We need a commitment - and I have said this time and time again - by the State that we believe there is a future for agriculture and we are going to stand behind it and give them the reasons why they should continue to operate.

ASSEMBLYWOMAN MC CONNELL: Okay. So, that statement is really two-fold. What we need to do is to make the commitment to provide an agricultural certainty in order for business to locate here, whether it is the cannery business or what have you, and also to improve the business climate for farmers.

SECRETARY ALAMPI: You are right. You put it very well.

ASSEMBLYWOMAN MC CONNELL: One other question that is perhaps one of a personal nature, because you know of my interest in the Family Farm Security Act--

SECRETARY ALAMPI: Yes.

ASSEMBLYWOMAN MC CONNELL: (continuing) --which is a piece of legislation that I think is greatly needed in our

State, whether it is timely right now or not because I know that we have other priorities, etc., is do you think it would be possible to use any of this bond money that we are talking about to perhaps get us started on that program? For the record, the Family Farm Security Act is one patterned after the Minnesota concept where you would provide guaranteed loans for young farmers or people going into the farming business. I have been looking for a way that we could come up with \$50 thousand to get that program started, Mr. Secretary, and I wondered if you thought it would be an appropriate place to tie those two program together under this Farmland Retention Program?

SECRETARY ALAMPI: Well, I would prefer that that funding come from another source rather than the bond issue. If we start with that, I can then see other demands saying, "Why don't we do this; why don't we do that; why don't we do the other thing? You did it for that group." I would prefer, if we could, to use other funding sources for that.

I think the idea is a great one. It is working in other states and other states are beginning to copy that. I know yours was a \$10 million program. My only concern is - not for agriculture; I support it - that if you do it for the farm community for young people, for example, then if those young people want to get into ceramics down in your part of the state, Mike, they will say, "Well, we want the same treatment"; or if someone wants to go into some other kind of business, they will say they want the same kind of treatment.

ASSEMBLYWOMAN MC CONNELL: I think we recognize that agriculture is an important industry in our state and that we want to encourage young people because the average age of the farmer is escalating, and it seems to me that that is enough of a priority in itself where we should perhaps set a precedent to provide guaranteed loans for this particular segment of New Jersey's population for agriculture.

I won't belabor that point. I just think it is a good program and a good concept and one again that says to the people of the State that we are making a commitment towards

agriculture, we are encouraging young people, and we want to assure that agriculture continues to thrive and grow in our State. I think it is an important program, and I was just trying to get your input as to how I can begin to come up with some money to fund it.

SECRETARY ALAMPI: We want to work with you. I think it is a great idea, and I think we ought to try and do it. But, I would prefer if we could go to another source rather than this, because once we start with this one I am sure others are going to ask for the same help.

ASSEMBLYWOMAN MC CONNELL: Will you help me to try and find some funds?

SECRETARY ALAMPI: From other sources, I hope.

ASSEMBLYWOMAN MC CONNELL: Okay.

ASSEMBLYMAN STEWART: Are there any other questions? (no response) Thank you very much. Oh, by the way, I believe the Senate made some amendments to the bill that they had. You had no problems with the changes they made?

SECRETARY ALAMPI: No, we support all those amendments.

ASSEMBLYMAN STEWART: Any of you who are testifying and have not had access to it, I think there are some minor changes to the Senate Bill, and maybe you ought to elaborate on them, Norman.

MR. MILLER: Well, they can really be put into three classes. Some are purely technical, to make this bond act conform to the language and some of the latest bond acts that have passed the Legislature. So, that is really of no concern to the committee.

The second category of change has been to put in specific definitions of cost, development easement, farmland, farmland preservation program, water conservation project, and so on, throughout the bond act. Those in the original legislation were not clearly defined, or were not defined at all, and the amendments do that. That essentially is what is the burden of pages two and three.

The other substance of amendment appears on page four and it clarifies and specifies the purposes to which the bond

money is to be put. I believe that the Secretary's comments and Assemblywoman McConnell's question are both to be clarified a bit by the language in this section which now provides that the bonds can be used only to provide grants to counties and municipalities for up to 50% of the cost of acquisition of development easements on farmland and to provide grants to land-owners for 50% of the cost of soil and water conservation projects. Those are the two authorized purposes to which the bonds can be put.

None of this can happen, however, it ought to be clarified, until local boards, committees, or public bodies specifically authorize it by law. It is specifically authorized by this Legislature and created by local government bodies who establish the ground rules for these grants. So, another act of the Legislature will be required to authorize local governments to create these boards, committees, and public bodies, which shall, in fact, establish the ground rules of the whole program. That is essentially what the amendments do. There is a clarification of the interpretive statement as well.

SECRETARY ALAMPI: Mr. Chairman, as I leave this chair I just want to add a word of commendation for the great job that Norman Miller has done in working with our people. Our consultant has been Bill Lanning. He has had a few years experience in working with the Legislature, so I think we have come prepared.

ASSEMBLYMAN STEWART: Thank you.

Next, we have Lauren DeCou, President of the New Jersey Farm Bureau. Lauren, this is the first time we have had you here, I think, isn't it?

L A U R E N D E C O U: I think so. Thank you. I appreciate the opportunity to testify on behalf of the Farm Bureau. I could summarize my statement, but I think it would be easier to read the statement, which we have purposefully made short and to the point. So, I will start, if I may.

The New Jersey Farm Bureau has reviewed the proposed "Farmland Retention and Development Bond Act" which calls for a \$50 million bond referendum to help protect agriculture in the Garden State. We are pleased to inform you that Farm Bureau supports this bond bill and will actively work toward passage of the referendum when the ballot question appears in November. We believe the bill ought to be supported by everyone in state government and the state's residents as well.

This bond act represents an important first step toward further, coordinated efforts to help maintain farming and farmland in the Garden State. It will implement one of several recommendations from the "Grassroots" report issued last fall, a report that capped a study process during which many Farm Bureau members participated. That study process has been continued by the Department of Agriculture as a forum for farmland preservation discussions around the state, and we commend the Department for their leadership and hard work.

Our support for the bond act is consistent with a policy on agriculture retention and development contained in our current policy handbook. The Board of Directors of New Jersey Farm Bureau considered this bond bill at its April meeting and voted to endorse the \$50 million bond referendum for 1981. The support for the easement purchases on farmland, for which most of this money will be used, stems from an overriding opinion on our part that fair compensation ought to be provided for landowners whose property rights are severely restricted for a public purpose. We realize that \$50 million in itself will not be enough to protect all the farmland in the state; but its enactment is necessary for the state and its residents to re-assure farmers that farmland preservation will not be achieved simply at the farmers' expense. Furthermore, passage of this referendum will greatly facilitate the participation and interest of farmers in the on-going discussions concerning other farmland preservation tools like right-to-farm and agricultural districts. It is unmistakably clear that the success of any program will depend upon the involvement of farmers.

Nothing in our support of this bond act, however, should lead anyone into thinking that we want more government in our lives and businesses. The future of farming in New Jersey will be determined primarily by economic factors. Production agriculture is a highly complicated enterprise that is constantly changing. It has flourished in this country because it is permitted to respond to incentives in a way that encourages hard work and constant improvements in operating efficiencies. We will resist any attempt to simplistically lock in farmers through heavy government policies such as those being experimented with by the Pinelands Commission. On the other hand, we will work closely with sincere efforts that attempt to recognize and work toward a proper inter-relationship of economic inducements and common sense growth management processes. Despite some unfortunate trends in the past, together we can make the future of agriculture in the state more secure and more promising.

ASSEMBLYMAN STEWART: Thank you, Lauren. Are there any questions?

I am trying to think ahead about some of the questions we are probably going to get during the floor debates, hopefully, next week. What are some of the safeguards you would think are going to be necessary, both for the municipalities and the State in the enabling legislation that is going to come up? Has your grass roots commission gone one step further and started thinking about how we are actually going to implement this thing, or how we are going to approve these areas? I am sure someone is going to stand up and ask, let's say next Monday, if we have a farmer out in the middle of no-where who wants to participate and he has a 100 acre farm and there is not another farmer within 15 miles of him who wants to participate and they are developing around him -- is that the kind of guy we are going to have in this plan or is not the kind of guy we are going to have in this plan?

MR. DE COU: Hopefully, that is not the type of person we are going to have in the plan. Hopefully, we are going to have local decision putting together a large enough body of land to make this a feasible program. Now, there are other

legislative activities, there are other bills that are in the process of being worked out so that we can put together a total package. I refer to this somewhat in general in my statement -- the districts, and the retention program in itself is not just a bond act. It is an attempt to put together a total state program with local control, and I can't over-emphasize that because there are different situations in different parts of the State.

I come from Cumberland County. We are much more rural, and there is a good chance that much of that area will not wish to participate immediately. However, in this part of the State, or north of here-- Specifically, I speak of Hunterdon County which is already engaged in working up a program that they will have for their county that will be different from what we would like in the southern part of the State. And, I think the legislation that will be forthcoming should protect the State from the inequities, or the example that you just presented, but at the same time encourage agriculture to participate and get involved with a program that will do what we hope it will do, and that is the retention of agricultural farmland in the State, and the agricultural industry in the State.

ASSEMBLYMAN STEWART: I think we all realize that this is - I hope everybody realizes this - nothing but a very, very first step. If we can't make this first step, all the other plans are going to go down the drain, obviously. I guess that is going to be our job, to convince our fellow legislators that a lot of those questions that are going to pop up we really cannot answer yet, but they are going to have a say in how the rest of it is going to be set up because there will have to be additional legislation to deal with the problems, I guess, that we are going to run into, of two municipalities that border on each other, one of which may be very enthusiastic about participating in this and the other that may not be, and how you can solve these kinds of problems. I guess the best thing we can do is to stay away from those issues, dealing with just the bond issue, unless you have something you want to add at

this point. Is it going to be strictly a home rule setup? Is each municipality going to be able to do it on its own? Do you envision a county coordination of the municipalities?

MR. DE COU: I would anticipate county coordination of the projects. You are going to need a lot of local input, and granted there is going to be disagreement among certain municipalities that may be adjacent to each other, or who may not be adjacent to each other but who may be within the same county unit. These problems are going to have to be worked out, but I think we are going to have to step back as leaders of the agriculture industry for the agriculture industry and we are going to have to set something in motion that will take us away from what is happening now, and that is a discouragement from the agricultural future in New Jersey. Secretary Alampi has spoken to the economic conditions and so on, and this is part of that total program. Agriculture is unique from many of the other industries in the State. It needs a lot of land. It needs space. It needs room to operate. It has been overwhelmed, I think, by regulations.

ASSEMBLYMAN STEWART: What is the game plan for step two, Lauren? Assume we release the bond issue from the committee and it passes both Houses, are we waiting then to see how the public reacts to the bond issue before we start moving on to step two, or will step two -- is that in the works now, as to the actual mechanics of distributing the funds?

MR. DE COU: Step two is very much in the works now. We have had many discussions around the State as to the companion bills. There are four companion bills that are being worked on that will support the bond referendum itself.

ASSEMBLYMAN STEWART: Not a nickle can be spent out of this until we go on to the second step.

MR. DE COU: That's correct. I can't overemphasize this one last point, Mr. Chairman, and that is the state has to support this and the people have to support this in order to get the agricultural industry feeling that there is a desire

for that agricultural industry to stay. The farmers will then, I think, work with the total program and make it work.

ASSEMBLYMAN STEWART: Are there any more questions?

(no questions) Thank you very much.

MR. DE COU: Thank you very much.

ASSEMBLYMAN STEWART: Lewis Nagy, representing Burlington County.

L E W I S N A G Y: My name is Lewis Nagy. I am Director of Economic Development for the County of Burlington. This morning I represent Freeholder Robert C. Shinn and the fifteen-member Burlington County Farmland Preservation Advisory Committee.

Freeholder Shinn regrets that he cannot personally address you today, as other matters have taken him out of the area.

Burlington County is the largest county, area-wise, in New Jersey, and approximately 40% of that land area is in prime or unique agricultural soils. This amounts to about one-eighth of all the farm acreage under cultivation in the State.

As of 1979, our County's agricultural community consisted of 719 farms with a total acreage of 135,953 acres. This value of farm products in the County amounted to \$37,927,000.

Agriculture in Burlington County is diversified with crops ranging from grains and sweetcorn to blueberries and cranberries. Livestock and nursery stock also play a large role.

Burlington County has a history of successful undertakings to preserve its vital resources.

A sincere dedication of purpose has been firmly established here as voters have approved two county-wide bond issues that will aid agricultural preservation. Each of the \$1 million issues are designed to purchase the development rights on vital land areas. The first issue emphasizes the Pinelands and the preservation of vital water related land. To date, we have successfully purchased easements on 690 acres which includes two active berry agriculture areas.

The second issue is specifically dedicated to the purchase of farmland easements. Our committee is currently exploring policies and guidelines to apply the funded district approach to this program. Our stakes are high and our systems are geared toward agricultural preservation.

We offer the following points as amendments to the \$50 million Bond Act, known as A-3369:

1. that the cost-sharing ratio for easement purchase be changed from the present 50% state participation to a 75% state participation, and stated in the legislation.
2. that the amount scheduled for cost-sharing on easement purchase and the amount scheduled for cost-sharing on soil and water projects be stated in the legislation. The Committee recommends a \$40 million allotment for easement cost-sharing and a \$10 million allotment for soil and water project cost-sharing.
3. that purchase of land in fee simple be an eligible cost-sharing element of the above cooperative purchase program.

The Committee has recommended and the Board of Chosen Freeholders will this week, consider a resolution to support the passage of the Bond Act with the above amendments.

The evolution of the complimentary package of four legislative proposals reached our Committee at the Height of its research and discussion on implementation techniques. This timing has invoked a keen awareness of the pros and cons of a total preservation program. Envisioning the importance of a complete review of the package, the Committee, by unanimous vote, recommends that legislative consideration of the four bills derived from the Grassroots Report (dated May 23-29, 1981) be forestalled at least three months to allow the various county committees to consider more thoroughly options and alternatives for the proposals. Following such time, the Committee will submit detailed comments to you.

We hope that this input provokes careful thought and rethought on the part of the Legislature and the Department of Agriculture for this most important program. We look forward to continuing a close working relationship with you in this regard and achieving a successful agricultural preservation effort.

ASSEMBLYMAN STEWART: Could you go back to your suggestion on purchase and fee simple sharing? I want to make sure I heard that right.

MR. NAGY: Right now the proposed legislation calls for strictly easement purchase. We would like to see a fee simple purchase of the farmland be eligible also.

ASSEMBLYMAN STEWART: Elaborate on that. Give the Committee an example. In other words, if a county or municipality wanted to buy a farm outright?

MR. NAGY: Outright.

ASSEMBLYMAN STEWART: They should be able to get 50% of the funding from the bond issue?

MR. NAGY: Yes, yes.

ASSEMBLYMAN STEWART: And their 50% would be their interest in land.

MR. NAGY: Would you say that again?

ASSEMBLYMAN STEWART: Their 50% matching funds would be their ownership of the land?

MR. NAGY: Well, the case in point might be in the district approach if one of the farmers has no heir to continue the production on the land, buying an easement on that piece of property may not keep it in farmland production. If the county could purchase the full fee simple, they could solicit someone to keep it in agriculture.

ASSEMBLYMAN STEWART: I have a technical question. Is that something that we have to do in the bond that goes on the ballot, or is that something that can be done in back-up legislation?

MR. MILLER: I would think that kind of thing has to be done now. As it is now, all we can use it for is development.

MR. NAGY: My experience is only with Green Acres Legislation, and my eight years with that program. Theirs calls for fee simple or less than fee simple, so it gives you the alternative of going down to an easement purchase.

ASSEMBLYWOMAN MC CONNELL: What you are suggesting is that the municipality does not have more than 50%---

ASSEMBLYMAN STEWART: He is saying they would buy the ground and they would own it, and they would not then have to put up another 50% to get into the program. That would be considered their contribution? Is that what you are saying?

MR. NAGY: No, if the piece of property were on the market, instead of using the easement as a vehicle for owning private farmland rights, the local municipality and the state would cooperatively share funds to purchase full fee simple on the property.

ASSEMBLYMAN STEWART: Let's take that one step further. What would happen to that farm at that point?

MR. NAGY: Well, because the local government accepted the State funds to help purchase, there would be restrictions, a deed restriction, that that land could only be used for farmland. They could not build a municipal building on it.

ASSEMBLYMAN STEWART: But the municipality would own it?

MR. NAGY: Yes.

ASSEMBLYMAN STEWART: And lease it out?

MR. NAGY: Lease it out as farmland.

ASSEMBLYMAN STEWART: Have you run into situations like that, where you have had the option to do that?

MR. NAGY: No, I can't say we have.

ASSEMBLYMAN STEWART: Did you give the same testimony to the Senate Committee?

MR. NAGY: No, we didn't prepare it in time for them.

ASSEMBLYWOMAN MC CONNELL: Mr. Chairman, is it constitutional for a municipality to purchase a business or purchase land?

ASSEMBLYMAN STEWART: I don't know, but I wouldn't see why not.

MR. MILLER: It would have to be for the public benefit. You could not get into the business of farming.

ASSEMBLYWOMAN MC CONNELL: Right, exactly. I mean, they could own it as open space, but could you actually farm it?

MR. NAGY: Well, again, I go back to my experience with the State Park Program. With Green Acres funds, the State buys "X" thousand acres of land. Until such time as they can produce the funds to develop that into an active recreation area, or whatever, it is a leasing program right now.

MR. MILLER: It is for the general public benefit.

MR. NAGY: Right, for the general public benefit.

ASSEMBLYWOMAN MC CONNELL: I would think that language would have to be very carefully drawn to do something like this.

ASSEMBLYMAN STEWART: I think what you are really suggesting to us is that there should be some provision for in-kind participation in that 50% that the municipality has to come up with. And, that should be left to the discretion of the Department of Agriculture as to whether or not whatever in-kind participation it is qualifies as part of or all of their 50%; isn't that really what you are saying?

MR. NAGY: It would go to that also. I think what we would like to see is that fee simple be mentioned in the legislation as an alternative, not simply the easement purchase.

ASSEMBLYMAN STEWART: To my recollection, there is no in-kind possibilities at all the way this is drafted. Either you do or you don't, and that is it.

MR. MILLER: Right, what is purchased is the State's interest in non-development.

ASSEMBLYMAN STEWART: Other than the very obvious

problem we have technically because of the Senate bill being out and ready to be voted on today and time running out on us, does anyone from either Agriculture or anywhere else see a problem with the suggestion that is being made?

MR. CHUMNEY: Mr. Chairman, we have wrestled with this issue, and there is some merits in the possibility of a fee simple purchase program. After we have weighed everything very carefully, we have decided that the best way to go was the difference in the match, in that we are at a stage in the development of this program that we need leverage on both ends. We need to encourage at the local level a maximum participation in the program, and also at the State level. We didn't know a better way to do it than to go this fifty-fifty cost sharing approach.

On the purchasing fee simple, we think that that still can be done, even though the language as it is drawn now which we support does not permit that. There could occur this so-called island concept in an agricultural district where for whatever reason, inheritance purposes, et cetera, a farm comes upon the market for sale, and you don't want that island to be created into a high-rise apartment or something similar.

In this fifty-fifty matching concept the local municipality would own that land, and they would have the flexibility to go and buy that island, so to speak, in fee simple, in a sense own it. The State would still share in its fifty percent of the easement purchase of that piece of ground, and if they could deal with it in those isolated cases at the local level that way--- I am again emphasizing our continuing desire to keep as much of this decision-making as possible to control this land at the local level and out of the State ownership of land. That is sort of the basic concept behind our thinking, if I understand it, and that is the reason why we did not include the fee

simple concept, which was in the Burlington County project where the State was funding the entire bill. It was not a local match deal. It was a single shot preserving the farmland with easement purchase only, where this program is supported not only by an easement purchase concept in a limited way on the land with the greatest pressure, but all of the other techniques will come forth in the enabling legislation that hopefully passes at some future date.

This was sort of a concensus that seemed to emerge in all of our meetings. It is an issue that we did look at carefully. We felt it can be dealt with through the local process.

ASSEMBLYMAN STEWART: Are there any other questions of this witness? If not, we thank you very much.

Are there any other people in the room who would like to testify on Assembly Bill 3369? If not, I will call this public hearing to a close.

(Hearing concluded)

# *New Jersey Conservation Foundation*

300 Mendham Road, Morristown, N. J. 07960

201-539-7540

June 22, 1981

The New Jersey Conservation Foundation is a private, non-profit, statewide membership organization concerned with open space acquisition and environmental quality throughout New Jersey.

The NJCF supports S-3233, the Farmland Retention and Development Bond Act and urges its passage.

In New Jersey, which is the most densely populated state in the nation, our remaining agricultural land base consists of a little less than 1 million acres. Each year, 7000 acres of farmland are lost from agricultural use.

The remaining farmland in New Jersey is a critical element in our statewide landscape and that landscape has considerable value to all New Jerseyans. We feel that it is in the best interest of all of us to concern ourselves with this continuing loss of farmland in our State. There are many reasons to support the preservation of farmland in New Jersey including maintaining land as open space, lower food costs, conserving energy and controlling urban sprawl. Farmland creates productive tax-generating, privately maintained open space and does not require expensive infra-structure. In addition, farmland preserves the continuance of a desirable life-style in a rapidly changing society.

We strongly support a state commitment to agricultural preservation. This commitment will help activate farmland preservation at a local level and provide a point of reference and hospitable environment for local programs.

The citizens of New Jersey have already expressed their desire to preserve farmland in New Jersey. A 1978 poll released by the Eagleton Institute indicated that 72% of those interviewed felt that it was important to preserve farmland in New Jersey.

We join this view and urge you to support farmland preservation in New Jersey through the passage of this bond act. We thank you for the opportunity to present this statement.

June 10, 1981

Honorable Donald Stewart, Assemblyman  
New Jersey State House  
Trenton, New Jersey

Re: A3369-\$50million Farmland Preservation Bond Act.

Dear Assemblyman Stewart:

Firstly, I will introduce and qualify myself in regard to my concern for the preservation of farmland in New Jersey. I am a dairy farmer in Franklin Township, Hunterdon County, active in agricultural and community affairs. I have been concerned about and dedicated to the preservation of farmland in New Jersey for over 20 years.

I strongly urge the passage of A3369 for the following reasons:

1. Every effort must be made to preserve dwindling farmland in New Jersey to provide open space (the state is already known as cancer alley), to prevent the continued loss of our non-replenishable resource-land, and keep the state the Garden State-a desirable place in which to live.

2. Agriculture is the second largest industry in the state and therefore has a large economic impact on the residents.

3. In my case I own approximately 150 acres but require more land for my dairy operation. Therefore, I farm another 150 acres owned by several different owners. This additional land is essential to my operation. The future use of this land is sometimes questionable. Through various agriculture retention plans this land could be made more secure for me.

Keeping my dairy operation going as well as others in the state affects all people in New Jersey. The state's residents consume 2 billions pounds of fluid milk annually- New Jersey farmers produce 478 million pounds of this amount. In fact, keeping all farms insures the state's residents with a supply of fresh foods.

4. The preservation of all farmland in New Jersey is imperative to the state as watersheds. This was never more evident than during the recent drought. Restrictions were placed on municipalities with large areas of open land to provide a supply of water for the populated northern part of the state. Farmland provides the open space making the watershed for much of the state's urban highly populated areas.

Farmland Preservation Bond Act (2)

I have set forth four reasons for farmland preservation in New Jersey. Now, I will address why the \$50million Bond Act is essential.

Some of the farmland is owned by older farmers seeking to retire and need funds on which to do so. They are looking to either the sale of development easements or the sale of their land to provide this money.

In other cases the land has been purchased, over the years, by non-farm owners with various expectations in mind. Now, with a questionable economic situation as well as the high cost of fuel the anticipated use of their land has changed. These owners are looking toward realizing some return on their investment through sale of easements or sale of the land.

In either of the two aforementioned the land base for active farmers would be greatly diminished. In some cases the farmer would be forced to terminate his operation because of the lack of adequate land.

Municipalities and counties are developing methods to save farmland. However, there is need for funding. Since in highly farmed areas the tax base is low, the municipality is limited as to the amount of money that can be raised. On the county level where there is a lot of farmland the cost can spread to the towns, however here too the tax base is relatively limited.

As illustrated in the four reasons I offered (need for open space, economic impact, nearby fresh food and watershed) the residents of the entire state benefit and have a lot to gain by keeping our farmland. Therefore, I feel the \$50 million Bond Issue must be passed and thereby the cost of preserving farmland spread to every resident of the state because everyone in New Jersey reaps the benefit. Admittedly the \$50 million won't "do the whole job" but coupled with county funds used in a matching formula there can be developed financing needed for the preservation of our precious natural resource-farmland.

Thank you for consideration of my concerns.

Yours truly,

August W. Knispel  
Box 150 R.D.1  
Pittstown, New Jersey 08867

Phone:201-735-4989

June 22, 1981

Statement to the  
Committee on Agriculture and Environment  
of the  
New Jersey State Assembly  
on  
A-3369, the Farmland Retention and Development Bond Act  
by  
Linda K. Bentz, Associate Director  
of the  
Middlesex-Somerset-Mercer Regional Study Council, Inc.

The Middlesex-Somerset-Mercer Regional Study Council (MSM) is an independent, private, non-profit regional planning research organization located in Plainsboro, New Jersey. As a part of our on-going effort to promote sensible growth patterns in Central New Jersey and throughout the State, we have been studying agricultural land retention for more than two years.

Our most recent publication is entitled "Agriculture Retention and Development Policies for New Jersey," which we prepared, under contract to the New Jersey Department of Agriculture, as background for the Department's Grassroots report. The report analyzes all the alternative agricultural retention policies currently available to New Jersey, including easement purchase, development density transfers, agricultural districting, and agricultural zoning. Although our contractual relationship with the NJDA was completed in December, 1980, we have continued to work with the Department as they develop draft legislation to implement the concepts set forth in the Grassroots report.

As part of our study on easement purchase, we surveyed and analyzed the easement purchase programs in other states. We found that none of the existing easement purchase programs could be regarded as successful by themselves in ensuring long-term agricultural productivity on significantly large areas of farmland. However, we did conclude that, if properly implemented, a limited easement purchase program could be an important element of New Jersey's overall agricultural retention program for two reasons:

1. It could be used to stabilize agricultural land use patterns by placing easements on parcels of land that are "strategically located"; and
2. It could be used as an incentive to county and local governments to develop more comprehensive programs to protect the agricultural land base within their political boundaries.

For these reasons, we have consistently and actively supported the Department of Agriculture's request for a \$50 million bond referendum. We can, however, support A-3369 if it is amended to include provisions that direct

the use\* of the bond money exclusively to land that lies within an area that is clearly intended to have agriculture as the long-term priority use. The amended version of S-3233, which ties the use of the bond money to a farmland preservation program, is an improvement over the original forms of S-3233 and A-3369. Nevertheless, even the new language of S-3233 is inadequate.

The bond money should be invested only in land that is enrolled in an agricultural retention program and only if that program assures that the laws, regulations, ordinances and investment policies of state, county, and local governments support the long-term needs of agriculture. In its Grassroots report, the Department of Agriculture concluded that the state should purchase easements only on land that is protected by the appropriate "planning setting" (page 34).

The importance of the planning setting for all farmland preservation efforts was MSM's principal finding in our comprehensive review of state efforts to retain agriculture. It was likewise a principal recommendation of the National Agricultural Lands Study:

One of the clear lessons that emerges from the evidence collected in the course of the NALS study is that protecting agricultural land is intimately related to managing urban growth. The two problems need to be solved together. The pressure to convert agricultural land often reflects the need to find housing and employment for the nation's expanding and increasingly affluent and mobile population. Unless growth can be managed so that needed development is provided in locations which do not threaten agriculture, efforts to protect agricultural lands alone will not be effective for long. (National Agricultural Lands Study. Final Report. Washington, DC: United States Government Printing Office, 1981, p. 77).

In summary, we ask that A-3369 be amended to direct the use of bond money to purchase easements only on land that is protected from governmental activities that have a detrimental impact on agricultural productivity, and we recommend that the bond money not be utilized until the state has a clear direction for its farmland preservation policy, that is, until the Legislature passes appropriate legislation embodying a comprehensive farmland preservation program with these two essential elements:\*\*

1. The state government should not, except in the case of an emergency, make capital investments or implement laws or rules and regulations that would negatively affect the economic viability of agricultural production on that land. NOTE: Six states (Illinois, Washington, Vermont, Delaware, Kentucky, and Massachusetts) now have Executive Orders, with varying degrees of stringency, that protect all prime or prime and

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\* Although this statement concentrates on the use of bond money for the purchase of easements, the portion of the bond utilized for soil and water conservation should be similarly directed.

\*\* MSM has drafted, and passed on in memorandum form to the Department of Agriculture and to the staff of the Senate Committee on Natural Resources and Agriculture, specific language to address these concerns.

unique farmland (not just that included in an agriculture retention program) from state activities that would negatively affect agricultural land and production.

2. County and local governments should not, except in the case of emergencies, make investments or enact or implement ordinances, rules and regulations that would negatively affect the economic viability of agricultural production on the land for which an easement has been purchased. That is, the planning setting of the county and local governments should show long-term support for agricultural land use.

In short, by approving this bond question, you are asking the public to approve a \$50 million investment in the future of New Jersey's agricultural land. We believe that this is a wise policy but that the taxpayers will want to know that long-term investment is secured by complementary and effective land use policies.

We would add that New Jersey's agricultural retention program could benefit if the \$50 million bond could be utilized for more than easement purchase and soil and water conservation. Specifically, we would like to see some of the bond money made available for assisting the planning activities of county-level farmland preservation boards (as conceived in the Department of Agriculture's draft "Agriculture Retention and Development Act" and for loan guarantees to young and new farmers (as proposed in the Family Farm Security Act, currently pending before the Legislature) and for loan guarantees to farmers who might incur short-term adverse effects by the imposition of agricultural land use controls.



**The Board of Chosen Freeholders  
of the County of Hunterdon  
New Jersey**

**Administration Building, Flemington  
08822**

George D. Muller, Director  
Benjamin B. Kirkland, Deputy Director  
George B. Melick, Freeholder

Dorothy K. Bertany, Clerk  
Susan B. Miller, Deputy Clerk  
Board of Chosen Freeholders  
(201)788-1102

June 18, 1981

The Honorable H. Donald Stewart, Chairman  
Committee on Agriculture and Environment  
New Jersey State Assembly  
Trenton, New Jersey 08625

Dear Assemblyman Stewart:

I am writing in support of A-3369, the Farmland Retention and Development Bond Act, which will, I understand, be heard and acted on by the committee on Monday, June 22nd. I also support the amendments S-3233 (the Senate counterpart to A-3369) as passed by the Senate committee on natural resources and agriculture. I especially believe that A-3369 should be amended to direct the expenditure of the 50 million dollars only on land that is devoted to a farmland preservation program "as established by a board, committee, or other public body, specifically authorized by law to do so". This language is the minimum acceptable toward ensuring that the taxpayers money will, in fact, be utilized on land that is clearly intended for long term agriculture production.

As you may know, Hunterdon County is currently leading the state in the development of a farmland preservation program. Please permit me to give you some background in what we've done.

Last June, we, the Board of Chosen Freeholders, appointed a Task Force to examine the options available for both accepting our new growth and retaining not only our rural character but also our extremely important agricultural industry. As an outgrowth of that report, the County's voters overwhelmingly supported a \$2.2 million bond referendum last November.

Since that time the Task Force has been developing a program to make the best use of this money. The Task Force relied heavily on the concepts developed for and by the Department of Agriculture in the Grassroots report. On April 14, 1981 the Freeholders appointed an Agriculture Development Board as suggested in Grassroots.

The promise of a statewide program, including the possibility of matching our bond, has been a remarkable catalyst for the Task Force's activities. If this program falls through it will dampen the enthusiasm and momentum of the new Board of Agriculture Development made up of the same members as the former Task Force.

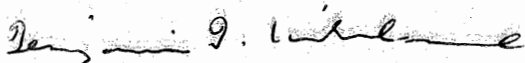
Honorable H. Donald Stewart  
June 18, 1981  
Page 2

Although I realize that \$50 million is a small amount of money, if it is used to match money raised by local and county governments and if its use is tied directly to growth management policies, as we are doing in Hunterdon, that money can make a big difference in saving agriculture.

The point is that after so many studies of agriculture, I am now confident that the farmers of Hunterdon, for the first time, are solidly behind an agricultural retention program, and I think the rest of the state's farmers will be, too. This is important because though they are few in number, they OWN THE LAND. Many of them are ready for retirement and young would-be farmers cannot afford the investment of starting out without knowing that the State will make a commitment.

Time is running out, and I respectfully urge your favorable consideration of the \$50 million agricultural retention bond act.

Very truly yours,



Benjamin B. Kirkland  
Deputy Freeholder Director

BBK:sbm

# AGRICULTURE DEVELOPMENT BOARD OF HUNTERDON COUNTY

Administration Building  
Flemington, New Jersey 08822  
(201) 788-1488

June 19, 1981

Honorable H. Donald Stewart, Chairman  
Committee on Agriculture and Environment  
New Jersey State Assembly  
The State House  
Trenton, New Jersey 08625

Dear Assemblyman Stewart:

The Agriculture Development Board of Hunterdon County has asked me, as Chairman, to express to you our wholehearted support for A-3369, the Farmland Retention and Development Bond Act, and to ask your continued efforts towards its passage.

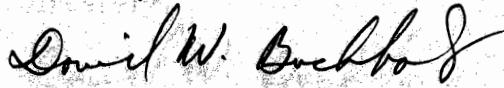
As you may know, last November the voters of Hunterdon County approved, by a margin of two to one, a \$2.2 million bond for use in the retention of agricultural land. Since that time, we have developed and approved a four-point program: (1) provisions for the county's agricultural districting program; (2) criteria to guide the expenditure of the \$2.2 million to purchase easements on agricultural land; (3) guidelines for the county's encouragement of landowners to donate easements on agricultural land; and (4) an outline of our program to educate and assist municipal governments that want either to participate in the County's program or want to work with a specific agricultural retention technique. Each is currently being considered for approval by our Board of Chosen Freeholders.

Our progress in Hunterdon is encouraging to us in the County, but it also represents significant positive impact on any statewide agriculture retention program to be forthcoming. However, in our work here in Hunterdon it has become increasingly apparent that there must be State support in matters of State policy, financial assistance and incentives for farmer participation. Passage of A-3369 and its subsequent acceptance by the citizens of the state will be an important initial step in implementation of the Grassroots concept of agricultural retention. But we also support A-3369 because we want to see agriculture remain throughout the State of New Jersey. If Hunterdon County is any indication, the existence of even a relatively small amount of money will propel the counties and, in some instances, municipalities into the development of a comprehensive retention program.

Honorable H. Donald Stewart, Chairman  
Committee on Agriculture and Environment  
June 19, 1981

For these reasons, when the Committee considers A-3369 for adoption this coming Monday, we urge you and the other members to give it a favorable consideration.

Sincerely,



David W. Buchholz, Chairman  
Agriculture Development Board  
of Hunterdon County

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# HUNTERDON COUNTY PLANNING BOARD

HUNTERDON COUNTY COMMUNITY SERVICES BUILDING ANNEX

ROUTE 31 - FLEMINGTON, NEW JERSEY

MAILING ADDRESS

FLEMINGTON, NEW JERSEY 08822

TELEPHONE:

(201) 788-1490

June 18, 1981

Assemblyman H. Donald Stewart, Chairman  
Committee on Agriculture and Environment  
The State House  
Trenton, N. J. 08625

Dear Assemblyman Stewart:

As you are probably aware, Hunterdon County is in the forefront of the movement to retain agriculture as a viable industry in New Jersey. Our freeholders recently created the Agriculture Development Board of Hunterdon County which was recommended in the Grassroots report. Last November the voters of our County authorized the freeholders to bond in the amount of \$2.2 million to save farmland.

The Hunterdon County Planning Board has followed with great interest the development of the legislation which is being drafted to implement the Grassroots program. At a meeting on June 18, 1981, the Planning Board adopted a resolution strongly urging your Committee, and the Assembly, to act favorably on Assembly Bill 3369 which would authorize a \$50 million bond issue on the fall ballot for the purchase of agricultural easements. The approval of this bond issue will significantly assist our agriculture retention program in Hunterdon County.

Very truly yours,



John W. Kellogg  
Director

JWK/db

cc: Assemblywoman Barbara McConnell  
Assemblyman Karl Weidel  
John Van Zandt