

- iv. A legend defining the symbols appearing on the map;
- v. The location of property lines;
- vi. An identification of forest stands which are keyed to written prescriptions;
- vii. A delineation of physical features such as roads, streams, structures, etc.;
- viii. An identification of soil types (A separate map can be used for this purpose); and
- ix. A brief description or a map inset of the land for the purpose of identifying the location of the property in relation to the local area.

New Rule, R.1987 d.507, effective December 7, 1987 (operative January 1, 1988).

See: 19 N.J.R. 1538(a), 19 N.J.R. 1640(b), 19 N.J.R. 2304(a).

Amended by R.2004 d.62, effective March 1, 2004.

See: 35 N.J.R. 4044(b), 36 N.J.R. 1226(a).

In (a), substituted "incorporating" for "in some combination of" following "forest stand" in 5, inserted "and to provide for the sustainability of the forest" at the end of the first sentence and "and not more than 15 years" at the end of the second sentence in 6.

**Case Notes**

Woodland management plan; qualification of woodland for farmland assessment. *Estell Manor City v. Stern*, 14 N.J.Tax 394 (1995).

**18:15-2.11 Acknowledgment of receipt**

(a) The commissioner, upon receipt of the application and accompanying information, shall acknowledge such receipt to both the applicant and the assessor on or before September 15 of the pre-tax year.

(b) The acknowledgment by the commissioner shall also indicate whether the application is sufficient or whether additional information must be submitted by the applicant.

(c) If additional information is requested, the applicant shall submit such information to the commissioner and the assessor within 14 days of the commissioner's request.

New Rule, R.1987 d.507, effective December 7, 1987 (operative January 1, 1988).

See: 19 N.J.R. 1538(a), 19 N.J.R. 1640(b), 19 N.J.R. 2304(a).

**18:15-2.12 Notice of compliance or noncompliance by the commissioner**

(a) On or before October 31 of the pre-tax year, the commissioner shall notify the assessor in writing of the results of his review stating whether the reporting requirements of N.J.A.C. 18:15-2.7 have been satisfied by the applicant.

(b) If the commissioner determines the applicant has not satisfied such requirements, he shall indicate the reasons for his finding of noncompliance.

(c) The assessor shall disapprove the application determined to be in noncompliance and transmit a notice of disallowance of claim to the landowner as provided under N.J.A.C. 18:15-3.6.

(d) If the commissioner determines the applicant has satisfied such requirements, he shall indicate the date of the last inspection of the land as prescribed under N.J.A.C. 18:15-2.13.

(e) The assessor, after receipt of a notice of compliance, shall approve or disapprove the application in accordance with his determination as to whether the property is otherwise qualified for farmland assessment.

(f) In the event that the commissioner does not give timely notice to the assessor of his findings of compliance or noncompliance, the assessor may approve or disapprove the application as in the case of other applications not subject to the additional conditions as noted under N.J.A.C. 18:15-2.7.

New Rule, R.1987 d.507, effective December 7, 1987 (operative January 1, 1988).

See: 19 N.J.R. 1538(a), 19 N.J.R. 1640(b), 19 N.J.R. 2304(a).

**18:15-2.13 On-site inspections required to be made by the commissioner**

(a) The commissioner, in addition to reviewing each application, shall make an on-site inspection of the property to determine whether the land is in compliance with the filed woodland management plan.

(b) Such on-site inspection shall be made during one of the first three years following the initial application and submission of accompanying information required by an owner of woodland as set forth in N.J.A.C. 18:15-2.7, and thereafter at least once every three years.

(c) In the event the commissioner determines the woodland is not in compliance, he shall transmit a notice of noncompliance to the assessor within five days stating the reasons for noncompliance.

New Rule, R.1987 d.507, effective December 7, 1987 (operative January 1, 1988).

See: 19 N.J.R. 1538(a), 19 N.J.R. 1640(b), 19 N.J.R. 2304(a).

**18:15-2.14 Land failing to meet conditions set forth in N.J.A.C. 18:15-2.7**

Land which fails to meet the additional conditions set forth in N.J.A.C. 18:15-2.7 during the first year in which the conditions are imposed, shall not be subject to roll-back taxes for such failure, but shall be treated as land for which an annual application was not submitted.

New Rule, R.1987 d.507, effective December 7, 1987 (operative January 1, 1988).

See: 19 N.J.R. 1538(a), 19 N.J.R. 1640(b), 19 N.J.R. 2304(a).

**18:15-2.15 (Reserved)**

Repealed by R.2004 d.62, effective March 1, 2004.

See: 35 N.J.R. 4044(b), 36 N.J.R. 1226(a).

Section was "Transition rule initiating time for beginning of application or new conditions on woodland owners".

### SUBCHAPTER 3. PROOF TO SUPPORT APPLICATION FOR FARMLAND ASSESSMENT

**18:15-3.1 Two-year period devoted to agricultural or horticultural use required**

(a) Land eligible for farmland assessment in addition to meeting the qualifications provided in N.J.A.C. 18:15-3.2 through 3.5 must have been actively devoted to agricultural or horticultural use as defined in N.J.A.C. 18:15-6 for at least two successive years immediately preceding the tax year for which such assessment is requested.

1. Example: Where application for farmland assessment is made for the tax year 2003, the land must have been actively devoted to agricultural or horticultural use during the entire period of the calendar years 2001 and 2002.

As amended, R.1979 d.87, effective March 8, 1979.

See: 11 N.J.R. 100(b), 11 N.J.R. 210(b).

Amended by R.1997 d.405, effective October 6, 1997.

See: 29 N.J.R. 2803(a), 29 N.J.R. 4335(a).

In (a)1, amended tax year and calendar years.

Amended by R.2004 d.62, effective March 1, 2004.

See: 35 N.J.R. 4044(b), 36 N.J.R. 1226(a).

In (a), amended N.J.A.C. references in the introductory paragraph and amended tax and calendar years in 1.

**Statutory References**

As to requisite period of devotion, see N.J.S.A. 54:4-23.6(a).

**Case Notes**

Agricultural or horticultural use of land otherwise eligible for farmland assessment must be lawful, that is, a permitted use; forestry operation use of land not permitted under zoning ordinance does not qualify to constitute two calendar year minimum use period for farmland assessment eligibility. *Clearview Estates, Inc. v. Boro. of Mountain Lakes*, 188 N.J.Super. 99, 456 A.2d 111 (App.Div.1982).

Land qualified for farmland assessment for two years preceding tax year. *Mt. Hope Min. Co. v. Rockaway Tp.*, 8 N.J.Tax 570 (1986).

Taxpayer was entitled to farmland assessment on forestry land despite violation of tree removal ordinance. *Mt. Hope Min. Co. v. Rockaway Tp.*, 8 N.J.Tax 570 (1986).

**18:15-3.2 Area of land devoted to agricultural or horticultural use**

(a) Land actively devoted to agricultural or horticultural use, in order to be eligible for farmland assessment, must have a minimum area of five acres.

(b) In determining the area of such land, all the land under barns, sheds, seasonal farm markets selling predominantly agricultural products, seasonal agricultural labor housing, silos, cribs, greenhouses and like structures, lakes, dams, ponds, streams, irrigation ditches and like facilities is included, but land under the farmhouse, and such additional land as may be actually used in connection with the farmhouse, including, but not limited to, land used for lawns, flower gardens, shrubs, swimming pools, tennis courts and for like purposes, is excluded in determining the total area.

(c) Where separate parcels of land in agricultural or horticultural use under a single ownership are located in the same taxing district, compliance with the five-acre minimum area eligibility requirement is deemed to have been met if the separate parcels are contiguous and the aggregate eligible area thereof is at least five acres. For the purpose of this Section, land under single ownership, separated by a public right of way, is deemed to be contiguous.

(d) Where contiguous land in agricultural or horticultural use in one ownership is located in more than one taxing district, compliance with the five-acre minimum area requirement is determined on the basis of the total eligible area of such land and not the area which is located in the particular taxing district.

(e) Where separate, noncontiguous parcels of land in agricultural or horticultural use, in a single ownership, are located in the same taxing district, a separate application for farmland assessment must be made with respect to each parcel. The area of the separate parcels may not be aggregated for the purpose of meeting the five-acre eligibility requirement.

Amended by R.1997 d.405, effective October 6, 1997.

See: 29 N.J.R. 2803(a), 29 N.J.R. 4335(a).

In (b), inserted "sheds . . . seasonal agricultural labor housing."

**Statutory References**

As to requisite area of land, see N.J.S.A. 54:4-23.6(b).

As to areas of land to be included in computation, see N.J.S.A. 54:4-11.

As to treatment of contiguous land in more than one taxing district, see N.J.S.A. 54:4-18.

**Case Notes**

Roll-back taxes are not triggered until the land is applied to a more intense use than that for which it received a farmland assessment; determination of ineligibility for farmland assessment. *Jackson Tp. v. Paolin*, 3 N.J.Tax 39, 181 N.J.Super. 293, 437 A.2d 344 (Tax Ct.1981).

Where two tracts of land were neither contiguous nor appurtenant to the tract entitled to farmland assessment, the two tracts were not reasonably required for the purpose of maintaining the farmland tract and agricultural use, and were therefore not entitled to farmland assessment. *Bass River Tp. v. Hogwallow, Inc.*, 1 N.J.Tax 612 (Tax Ct.1980).

**Statutory References**

As to valuation, taxation and assessment of structures, see N.J.S.A. 54:4-23.12 as amended by P.L. 1970, c.70.

**18:15-4.6 through 18:15-4.8 (Reserved)**

**SUBCHAPTER 5. TAXABLE VALUE OR ASSESSED VALUE OF FARMLAND**

**18:15-5.1 Taxable value defined**

The taxable or assessed value of land qualifying for farmland assessment shall be such percentage of its value in agricultural or horticultural use, determined under the Act, as corresponds to the percentage of true value established by the county board of taxation for the assessment of real property generally.

*Example:*

Where the established percentage level for the assessment of general real property in the taxing district is 50 per cent, land qualifying for farmland assessment having a value of \$5,000 in agricultural or horticultural use will have a taxable value (assessed value) of \$2,500.

**18:15-5.2 Land not qualifying for farmland assessment**

Land which does not qualify for farmland assessment is valued and assessed in the same manner as other real property in the taxing district.

**18:15-5.3 Recordation of taxable value**

(a) The taxable value of land which qualifies for farmland assessment is to be recorded on the assessor's tax list and duplicate in the same manner as that of other taxable lands in the taxing district.

(b) Where a portion of a parcel of land is assessed under the Act and another portion of said parcel is assessed in the same manner as other general real property, each portion is to be shown on the tax list and duplicate on a separate line.

**Statutory References**

As to tax and duplicate, see N.J.S.A. 54:4-23.19.

**18:15-5.4 through 18:15-5.6 (Reserved)**

**SUBCHAPTER 6. ACTIVELY DEVOTED TO AGRICULTURAL USE OR HORTICULTURAL USE**

**18:15-6.1 Actively devoted to agricultural or horticultural use defined**

(a) Land, five acres in area, shall be deemed to be actively devoted to agricultural use when it is used for any of the purposes described in N.J.A.C. 18:15-1.1 and 6.2 and:

1. When the amount of the gross sales of agricultural or horticultural products produced thereon, any payments received under a soil conservation program, fees received for breeding, raising or grazing any livestock, income imputed to land used for grazing in the amount determined by the State Farmland Evaluation Advisory Committee created pursuant to N.J.S.A. 54:4-23.20, and fees received for boarding, rehabilitating or training any livestock where the land under the boarding, rehabilitating or training facilities is contiguous to land which otherwise qualifies for farmland assessment, have averaged at least \$500.00 per year on the first five acres, \$5.00 per acre per year on any additional acres of farmland other than woodland and wetland, and \$0.50 per acre per year on any additional acres constituting woodland and wetland during the two-year period immediately preceding the tax year in issue; or

2. There is clear evidence of anticipated yearly gross sales, payments and fees amounting to at least \$500.00 per year on the first five acres, \$5.00 per acre per year on any additional acres of farmland other than woodland and wetland and \$0.50 per acre per year on any additional acres constituting woodland and wetland within a reasonable period of time.

(b) The amount of the gross sales, fees, payments, or income imputed to land used for grazing, or payments may be from one or a combination of sources included in (a)1 above, except fees for boarding, rehabilitating, or training livestock shall only be included, and the land deemed to be actively devoted to an agricultural use, where such use occurs on land which is contiguous to land under the same ownership, which otherwise qualifies for farmland assessment.

1. Examples are as follows:

i. Example (1): On a 10 acre parcel of land, six acres are devoted to growing crops and generate annual gross sales of \$650.00. The remaining four acres are used for boarding horses and generate annual boarding fees of \$8,500. Since the land used for boarding horses is contiguous to land five acres or more otherwise qualifying for farmland assessment, the fees from boarding may be included to meet the minimum gross income requirements and qualify the entire 10 acre parcel.

ii. Example (2): On a 10-acre parcel of land, 3.5 acres are devoted to growing crops and generate annual gross sales of \$450.00. The remaining 6.5 acres are used for boarding horses and generate annual boarding fees of \$10,500. None of the 6.5 acres is used for grazing horses. The land contiguous to the land used for boarding horses does not otherwise qualify for farmland assessment, both because it is not at least five acres in area and because it does not meet the minimum \$500.00 income requirement for the first five acres. Therefore, the fees from boarding may not be included

to meet the minimum gross income requirements, and the entire 10-acre parcel is ineligible for qualification.

iii. Example (3): A 10 acre parcel of land is managed under a soil conservation program of the United States Department of Agriculture and receives an annual payment of \$750.00. Since the payment meets the income requirement of \$525.00 (\$500.00 + \$5.00 for each acre above five), the entire 10 acres are eligible for farmland assessment.

iv. Example (4): On an 8.5-acre parcel of land, .5 acres is used with the house, and three acres are devoted to boarding and training horses which produces fees of \$3,200. The remaining five acres are utilized for grazing the boarded horses at an imputed value of \$99.00. Income imputed to grazing is determined to be \$495.00. Since the five acres used for grazing does not have an imputed value for such use of at least \$500.00, it is not eligible for farmland assessment. The three-acre portion used for boarding and training is also ineligible because it is not contiguous to land which otherwise qualifies for farmland assessment.

v. Example (5): Three horses and pony are kept by an owner on his land for pleasure riding. The animals pasture on 14 acres which have an imputed grazing value of \$1,442. The imputed grazing value in this county is \$103.00 per acre. Although the imputed grazing value exceeds the income requirements for qualification, the land nevertheless would be ineligible for farmland assessment since the livestock are not raised for sale, the livestock do not produce products for sale, and the grazing is not connected with breeding, raising, boarding, rehabilitating or training activities.

vi. Example (6): On a 10-acre parcel of land, one acre is used for residential dwelling, three acres are devoted to hay production, four acres are fenced pasture for boarded horses, .5 acres is for the boarding facility, and 1.5 acres is appurtenant woodland. One hundred twenty-five bales of hay with a value of \$3.00 per bale generating \$375.00 in value are produced annually and fed to the boarded horses. Income imputed to land for grazing of \$100.00 per acre times four acres equals \$400.00. As seven acres of land producing \$775.00 in income is adjacent to the boarding facility, nine acres qualifies for farmland assessment.

(c) In cases where the income requirements for farmland assessment have not been met due to an injury, illness or death of the person responsible for performing the activities which produce the income necessary to meet the income eligibility requirements, the assessor shall, upon request by the owner of the land, exempt the owner from the income requirements.

1. In the case of injury or illness, the owner's request shall be accompanied by a certificate of a physician which shall include a statement that the person was physically incapacitated, the particular reason causing the incapacitation, and the period of time of the incapacitation.

2. In the case of death, the owner's request shall be accompanied by a certified copy of the death certificate.

3. The assessor may only grant an exception once for a particular illness, injury, or death.

Amended by R.1973 d.295, effective October 17, 1973.

See: 5 N.J.R. 318(a), 5 N.J.R. 393(b).

Amended by R.1979 d.87, effective March 8, 1979.

See: 11 N.J.R. 100(b), 11 N.J.R. 210(b).

Amended by R.1997 d.405, effective October 6, 1997.

See: 29 N.J.R. 2803(a), 29 N.J.R. 4335(a).

In (a)1. amended to incorporate fees and income and inserted reference to wetland; in (a)2, incorporated fees and inserted reference to wetland; and added (b) and (c).

Amended by R.2004 d.62, effective March 1, 2004.

See: 35 N.J.R. 4044(b), 36 N.J.R. 1226(a).

In (b)1, inserted the third sentence in ii, inserted "at an imputed value of \$99.00" at the end of the second sentence and substituted "\$495.00" for "\$300.00" in iv, substituted "\$1,442" for "\$725.00" at the end of the second sentence and added the third sentence in v, added vi.

#### Case Notes

Property used for growing trees qualified as farmland. Borough of Franklin Lakes v. Mutzberg, 226 N.J.Super. 46, 543 A.2d 477 (A.D. 1988).

Agricultural or horticultural use of land otherwise eligible for farmland assessment must be lawful, that is, a permitted use; forestry operation use of land not permitted under zoning ordinance does not qualify to constitute two calendar year minimum use period for farmland assessment eligibility. Clearview Estates, Inc. v. Boro. of Mountain Lakes, 188 N.J.Super. 99, 456 A.2d 111 (App.Div.1982).

#### 18:15-6.2 Devoted to agricultural or horticultural use defined

(a) "Devoted to agricultural or horticultural use" means:

1. Land on which crops are grown for market, either retail or wholesale;

2. Land on which cover crops are grown as part of a regular crop rotation program;

3. Land on which crops are grown for on-farm use, but not including land on which vegetables, fruits, and like products are grown for on-farm personal consumption;

4. Land on which are maintained, pastured or ranged farm animals whose products or the animals themselves are produced for market, either retail or wholesale;

5. Land which has met the requirements and qualified for payments or compensation from an agency of the Federal government under the Soil Bank Program, or an equivalent program such as the Conservation Reserve or Wetlands Reserve Program;

6. Land on which trees and forest products are produced for sale and such land is in compliance with a written approved woodland management plan; or

7. Land on which livestock is boarded, raised, rehabilitated, trained or grazed, except "livestock" shall not include dogs.

8. Wooded property or wetlands, which both can be considered appurtenant woodland, which is contiguous to, part of, or beneficial to land described in (a) above, and to which the woodland is supportive and subordinate.

Amended by R.1997 d.405, effective October 6, 1997.  
See: 29 N.J.R. 2803(a), 29 N.J.R. 4335(a).

Added (a)7 and 8.

Amended by R.2004 d.62, effective March 1, 2004.

See: 35 N.J.R. 4044(b), 36 N.J.R. 1226(a).

In (a), deleted 6 and recodified former 7 and 8 as 6 and 7; added a new 8.

**Statutory References**

As to which land is deemed in agricultural use, see N.J.S.A. 54:4-23.3.

As to which land is deemed in horticultural use, see N.J.S.A. 54:4-23.4.

**Case Notes**

Farmland Assessment Act required that for a parcel to qualify for farmland assessment as a woodlot, the written and approved woodland management plan required by the statute must be filed on or before January 1, two full years prior to the year for which farmland assessment is sought. Alexandria Tp. v. Orban, 21 N.J.Tax 298.

Amendments to property tax exemption statute requiring written woodland management plan for farmland assessment of woodlands were intended to provide a reasonable means of eliminating the widespread practice of indiscriminate cutting of woodlands to meet the earned income requirements of farmland assessment and to close tax loophole utilized by speculators and land developers. Alexandria Tp. v. Orban, 21 N.J.Tax 298.

Taxpayer was not entitled to farmland assessment for appurtenant parcel of land where farmland and parcel were separate tax line items and had distinct characteristics and purposes. Wyer v. Middleton Tp., 16 N.J.Tax 544 (1997).

Land used for grazing horses for fee did not qualify for farmland assessment. Dowd v. Howell Tp., 15 N.J.Tax 82 (1995).

Land is devoted to an agricultural use if it is "devoted to woodland appurtenant to land in agricultural or horticultural use and reasonably required for the purpose of maintaining the land in such use"; additional woodland, uncultivated, unused and unneeded for production primary function cannot be added on to bring taxpayer within the statutory five-acre requirement for farmland assessment. Mason v. Tp. of Wyckoff, 1 N.J.Tax 433 (Tax Ct.1980).

Kugler v. Wall Tp., 1 N.J.Tax 10 (Tax Ct.1980).

Farmland assessment denied due to failure to prove production of minimum gross income; three tracts contiguous to farm which had never been functionally part of farm, which were not integrated with the farm in any documentary manner and upon which independent commercial operations had been undertaken held not to qualify for farmland assessment. Wiesenfeld v. Tp. of South Brunswick, 166 N.J.Super 90, 398 A.2d 1342 (App.Div.1979).

Farmland assessment upheld; Farmland Assessment Act did not exceed its enabling constitutional amendment by allowing forestland to be entitled to farmland assessment; owner's intended use of eligible land is not to be considered in determining eligibility; assessment of land at highest farmland valuation held erroneous as without supporting method of valuation in evidence. Urban Farms, Inc. v. Tp. of Wayne, Passaic Cty., 159 N.J.Super. 61, 386 A.2d 1357 (App.Div.1978).

Woodlands and reservoirs contiguous to taxpayer's cranberry bogs held reasonably required for purpose of maintaining land in agricultural use; adoption of lowest assessment rate by trial judge without explanation held totally arbitrary and requiring remand. Bunker Hill Cranber-

ry Co. v. Tp. of Jackson, 144 N.J.Super. 230, 365 A.2d 204 (App.Div. 1976), certification denied, 73 N.J. 59, 372 A.2d 324 (1977).

Tract principally dedicated to agricultural use and meeting statutory area and gross sales requirements held entitled to farmland assessment in its entirety rather than only that portion of tract actually being farmed. Tp. of Andover v. Kymer, 140 N.J.Super. 399, 356 A.2d 418 (App.Div.1976).

Woodland, wet areas and other acreage having a marginal value for agricultural or horticultural use may also be given a farmland assessment, as long as the acreage is part of, appurtenant to, or reasonably required for the purpose of maintaining the land actually devoted to farm use, particularly where it has been part of the farm for a number of years. Boro. of Califon v. Stonegate Properties, Inc., 2 N.J.Tax 153 (Tax Ct.1981).

Where two tracts of land were neither contiguous nor appurtenant to the tract entitled to farmland assessment, the two tracts were not reasonably required for the purpose of maintaining the farmland tract and agricultural use, and were therefore not entitled to farmland assessment. Bass River Tp. v. Hogwallow, Inc., 1 N.J.Tax 612 (Tax Ct.1980).

**18:15-6.3 Evidence of anticipated yearly gross sales, fees or payments**

(a) An applicant must submit proof that from the present use and the nature and characteristics of the land and from the productivity plans of the owner or occupant thereof, it can be demonstrated that the income requirements as specified in N.J.A.C. 18:15-6.1 are met. Included in the minimum gross sales to qualify the farm should be crops grown for the on-farm use at the retail sales value which the farmer would have to pay if purchased in the open market, but not included would be products grown for on-farm personal consumption.

(b) The formula for computing the minimum gross sales to qualify a farm is illustrated by the following example:

**EXAMPLE:**

A farm contains 105 acres of which 75 acres is farmland and 30 acres is woodland and the gross sales is \$900.00. Gross sales required would be as follows:

| Acreage and Type           | Gross Sales   |
|----------------------------|---|
| First 5 acres of farmland  | \$500.00  |
| 70 acres of farmland       | 350.00 (\$5.00 per acre for all acres in excess of 5 acres) |
| 30 acres of woodland       | 15.00 (\$.50 per acre on all acres in excess of 5 acres)    |
| Total Gross Sales required | \$865.00 (Minimum requirement according to example)         |

Since the farm has gross sales of \$900.00 and only \$865.00 is the minimum requirement, then this farm would qualify under the Act as to gross sales.

Amended by R.1973 d.295, effective October 17, 1973.

See: 5 N.J.R. 318(a), 5 N.J.R. 393(b).

Amended by R.1997 d.405, effective October 6, 1997.

See: 29 N.J.R. 2803(a), 29 N.J.R. 4335(a).

**Case Notes**

Crops grown for on-farm use; value in determining average gross annual sales. Cheyenne Corp. v. Township of Byram, 14 N.J.Tax 167 (A.D.1993).

**18:15-6.4 Failure to meet additional gross sales requirement on acreage—rollback**

Land previously qualified as actively devoted to agricultural or horticultural use under the Act but failing to meet the additional requirement on acreage above five acres shall not be subject to the roll-back tax because of such disqualification, but shall be treated as land for which an annual application has not been submitted.

Amended by R.1973 d.295, effective October 17, 1973.  
See: 5 N.J.R. 318(a), 5 N.J.R. 393(b).

**18:15-6.5 through 18:15-6.6 (Reserved)****SUBCHAPTER 7. ROLL-BACK TAXES****18:15-7.1 When applicable**

When land which is in agricultural or horticultural use and is being assessed under the Act is applied to a use other than agricultural or horticultural, it is subject to additional taxes, hereinafter referred to as "roll-back taxes".

**Statutory References**

As to when roll-back taxes become applicable, see N.J.S.A. 54:4-23.8.

**Case Notes**

Reformation of title insurance policy for Farmland Assessment Act liability exception; buyer held liable for roll-back taxes due to change in use of property. *Paz v. DeSimone*, 139 N.J.Super. 102, 352 A.2d 609 (Ch.Div.1976).

**18:15-7.2 Liability attaches on land use change**

(a) The liability for roll-back taxes attaches to the land at the time a change in the use of the land occurs, but not when a change in ownership takes place if the new owner continues to devote the land to agricultural or horticultural use in conformity with the requirements of the Act.

(b) Land acquired by the State, a local government unit, a qualifying tax-exempt nonprofit organization, or the Palisades Interstate Park Commission for recreation and conservation purposes shall not be subject to roll-back taxes. As used in this section, "acquired," "local government unit," "qualifying tax-exempt nonprofit organization" and "recreation and conservation purposes" mean the same as those terms are defined pursuant to section 3 of The Garden State Preservation Trust Act, P.L. 1999, c.152 (N.J.S.A. 13:8C-3) and as amended by P.L. 2001, c.312 (N.J.S.A. 13:8C-29).

Amended by R.2004 d.62, effective March 1, 2004.  
See: 35 N.J.R. 4044(b), 36 N.J.R. 1226(a).  
Identified existing text as (a); added (b).

**Statutory References**

As to when liability for roll-back taxes occurs, see N.J.S.A. 54:4-23.8.

**Case Notes**

Parcels obtained by Department of Environmental Protection for public water supply, recreation and conservation purposes were not exempt from roll-back taxes; roll-back taxes do not automatically apply upon a change of ownership, absent change in use. *Dep't of Environmental Protection v. Franklin Tp.*, 3 N.J.Tax 105, 181 N.J.Super. 309, 437 A.2d 353 (Tax Ct.1981), affirmed 5 N.J.Tax 476 (App.Div.1983).

Reformation of title insurance policy for Farmland Assessment Act liability exception; buyer held liable for roll-back taxes due to change in use of property. *Paz v. DeSimone*, 139 N.J.Super. 102, 352 A.2d 609 (Ch.Div.1976).

**18:15-7.3 Amount; computation**

(a) In determining the amount of roll-back taxes chargeable on land which has undergone a change in use, the assessor is required for each of the roll-back tax years involved to ascertain:

1. The full and fair value of such land under the valuation standard applicable to other taxable land in the taxing district;
2. The amount of the land assessment for the particular tax year by multiplying such full and fair value by the county percentage level, as determined by the county board of taxation in accordance with Section 3 of P.L. 1960, c.51 (N.J.S.A. 54:4-2.27);
3. The amount of the additional assessment on the land for the particular tax year by deducting the amount of the actual assessment on the land for that year from the amount of the land assessment determined under paragraph 2 of this subsection; and
4. The amount of the roll-back tax for that year by multiplying the amount of the additional assessment determined under paragraph 3 of this subsection by the general property tax rate of the taxing district applicable for that tax year.

R.1971 d.138, eff. August 12, 1971.  
See: 3 N.J.R. 185(a), 3 N.J.R. 138(b).

**Statutory References**

As to computation of roll-back taxes, see N.J.S.A. 54:4-23.8.

**Case Notes**

Reformation of title insurance policy for Farmland Assessment Act liability exception; buyer held liable for roll-back taxes due to change in use of property. *Paz v. Desimone*, 139 N.J.Super. 102, 352 A.2d 609 (Ch.Div.1976).

**18:15-7.4 Tax years applicable**

(a) Roll-back taxes are applied to land for the tax year in which the change in the use of the land occurs and for such of the two tax years immediately preceding such year assessed under the Act.

(b) Examples are as follows:

1. Example (1): A parcel of land qualifies for farmland assessment for the tax years 2001, 2002, and 2003. A change of use occurs in June 2003. The land is subject to roll-back taxes for the tax years 2001, 2002 and 2003.

2. Example (2): A parcel of land was assessed generally for the tax year 2001, and qualified for farmland assessment in the tax years 2002 and 2003. A change in use occurs in June 2003. The land is subject to roll-back taxes for the tax years 2002 and 2003, but not subject to roll-back taxes for the tax year 2001, inasmuch as the land was not assessed under the Act for such tax year.