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PUBLIC HEARING

before

ASSEMBLY COMMITTEE ON CONSERVATION, NATURAL RESOURCES AND ENERGY

ASSEMBLY CONCURRENT RESOLUTION NO. 117

(Proposes amendment of the Constitution to permit property tax exemptions for certain privately-owned land dedicated for certain uses.)

SENATE CONCURRENT RESOLUTION NO. 71

(Amends the Constitution to permit property tax exemption for certain privately-owned land dedicated for conservation, recreation, or open space uses.)

December 7, 1989
Room 403
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Maureen Ogden, Chairperson
Assemblyman Joseph M. Kyrillos, Jr.
Assemblyman David C. Kronick
Assemblyman John Villapiano

ALSO PRESENT:

Patricia Cane
Office of Legislative Services
Aide, Assembly Committee on Conservation,
Natural Resources and Energy.

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Hearing Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625

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New Jersey State Legislature
ASSEMBLY COMMITTEE ON CONSERVATION,
NATURAL RESOURCES AND ENERGY

MAUREEN OGDEN
Chairperson
JOSEPH M. KYRILLOS, JR.
Vice-Chairman
FRANK A. LOBIONDO
DAVID C. KRONICK
JOHN VILLAPIANO

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
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NOTICE OF A PUBLIC HEARING

The Assembly Committee on Conservation, Natural Resources, and Energy will hold a public hearing on Friday, December 1, 1989 at approximately 11:00 A.M., immediately following the committee meeting, in room 403, State House Annex, Trenton, New Jersey.

The purpose of the public hearing is to receive testimony on the following bills:

- | | |
|-------------------------------|---|
| ACR-117
Hardwick/
Ogden | Proposes amendment of the Constitution to permit property tax exemptions for certain privately-owned land dedicated for certain uses. |
| SCR-71
Bassano | Amends the Constitution to permit property tax exemption for certain privately owned land dedicated for conservation, recreation, or open space uses. |

Anyone wishing to testify should contact Patricia Cane, committee aide, or Elva Thomas, committee secretary, at (609) 292-7676.

Issued: 11/22/89

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ASSEMBLYWOMAN MAUREEN OGDEN (Chairperson): Good afternoon everybody. We'd like to begin. First, before we deal with the regular agenda and our Committee hearing, we are going to deal with a public hearing on two identical pieces of legislation -- constitutional amendments. This is really a technicality, but Senator Bassano's bill, SCR-71, has already passed the Senate. What it does, is to amend the Constitution to permit property tax exemption for certain privately owned land dedicated for conservation, recreation, or open space uses.

A bill sponsored by Assemblyman Hardwick and myself has also come out of this Committee, so this public hearing is a technicality that is necessary in connection with the proposed constitutional amendment. After-- I think we have only one person here to speak on behalf of Senator Bassano, so I assume that since the actual purpose of the bill has already been dealt with by this Committee in a previous hearing, we'll just hear a very brief statement by his representative. Then the Committee will act on the--

I should just say, make sure that you are speaking into both microphones, because as a public hearing, it needs to be taped.

R A N D Y C O R M A N: This is the one that records the public hearing, correct?

ASSEMBLYWOMAN OGDEN: Yes.

MR. CORMAN: Okay, thank you very much. My name is Randy Corman, with the Senate Minority staff, and I'm representing Senator Bassano on SCR-71. First of all, I'd like to thank the Committee for previously releasing this bill, as well as ACR-117, and also for scheduling this public hearing. Since I realize you have some other bills, I will be very brief. There is some written testimony that I have already provided, and I will summarize that.

New Jersey State Library

The bill simply allows municipalities to provide tax exemptions for land that is set aside for a specific period of time for recreational, conservation, or open space use. The Senator believes that this will go a long way toward remedying what the DEP calls, the "quiet crisis," which is a severe shortage of recreational land that the State is already experiencing and will continue to experience.

Estimates from the DEP have indicated that in order to acquire the amount of land that we need for recreational purposes in this State, it would cost in excess of \$100 billion. That assumes a very conservative price per acre, were this land to be purchased.

This bill uses a -- would enact a constitutional amendment which provides, I think, a realistic and workable alternative. Rather than purchasing the land for recreation, a municipality would have the option, simply, to provide a tax exemption to the property owner, provided that land would be set aside for recreational use. Municipalities would have the home rule to design it, to best suit their needs; they could balance new ratables, along with dedicated open space.

Hopefully, this bill, after this public hearing, could be favorably voted on by the Assembly, and then, were it to be reenacted in both houses in 1990, it would face the voters in November of 1990. If the positive response to recent Green Acres bond issues is any indication, we are sure that this amendment will pass with a resounding margin from the citizens of New Jersey.

I thank the Committee for its attention and its past support.

ASSEMBLYWOMAN OGDEN: Thank you. Are there any comments from members of the Committee?

ASSEMBLYMAN VILLAPIANO: Is it an appropriate time to ask questions of Senator Bassano, or is that the correct procedure?

ASSEMBLYWOMAN OGDEN: You certainly may.

MR. CORMAN: I'll try to answer as best I can.

ASSEMBLYMAN VILLAPIANO: I had two specific questions: One of them was, would it allow for a dedication of real, real estate to be dedicated for a specific period of time?

MR. CORMAN: That's correct.

ASSEMBLYMAN VILLAPIANO: What is that specific period of time?

MR. CORMAN: That specific period of time would be set forth in enabling legislation. First, we've got to amend the Constitution in order to allow for such a tax exemption, and then, after that, the Legislature must still pass a law which would set forth that specific period of time. The Senator has introduced legislation to do that. Obviously, it can't move until we have the amendment adopted. That would be very similar to the tax exemptions now provided under the Fox-Lance Acts, and also the agricultural tax exemptions.

ASSEMBLYMAN VILLAPIANO: And secondly, is this an all or nothing type thing; either it's an exempt property, zeroed out, or it's a fully taxable piece? Does it allow for a sliding scale, or is it permissive enough legislation to allow the municipality to -- say a 50%, or a 25%, or a 75% tax abatement?

MR. CORMAN: The constitutional amendment provides for that latitude. All those things would have to be spelled out in the enabling legislation.

ASSEMBLYMAN VILLAPIANO: I see. Okay.

MR. CORMAN: You could set up a sliding scale, and provide municipalities with the kind of latitude that you seek.

ASSEMBLYMAN VILLAPIANO: Thank you.

MR. CORMAN: Thank you.

ASSEMBLYWOMAN OGDEN: Are there any members of the public who wish to speak or participate in this public hearing? (no response) If not, at this time, we'll close the public hearing. That concludes it.

As I said earlier, thank you for appearing on behalf of Senator Bassano.

MR. CORMAN: Thank you very much on behalf of the Senator.

ASSEMBLYWOMAN OGDEN: As I said earlier, the Committee has already released this bill; therefore, there's no action needed by members of the Committee itself.

That concludes the public hearing.

(HEARING CONCLUDED)

APPENDIX

TESTIMONY OF SENATOR C. LOUIS BASSANO ON SCR-71

I WOULD LIKE TO THANK THE CHAIRMAN AND THE MEMBERS OF THE COMMITTEE FOR SCHEDULING MY BILL SCR-71 WHICH WOULD ALLOW MUNICIPALITIES TO GRANT TAX EXEMPTIONS TO PROPERTY OWNERS WHO SET ASIDE THEIR LAND FOR OPEN SPACE OR RECREATIONAL USE. THIS BILL WILL GO A LONG WAY TOWARD SOLVING WHAT THE DEPARTMENT OF ENVIRONMENTAL PROTECTION HAVE CALLED "THE QUIET CRISIS," THE DISAPPEARANCE OF OPEN SPACE TO DEVELOPMENT AND THE CONSEQUENT SHORTAGE OF LAND FOR RECREATIONAL PURPOSES.

THIS CRISIS, ALTHOUGH "QUIET," IS OF STAGGERING PROPORTIONS. ACCORDING TO A STUDY CONDUCTED BY THE DEP, EVERY COUNTY IN NEW JERSEY CURRENTLY FACES OR WILL FACE A DEFICIT OF LAND FOR OUTDOOR RECREATIONAL PURPOSES BETWEEN NOW AND THE YEAR 2000. AND THIS DEFICIT EXISTS IN SPITE OF NEARLY A QUARTER OF A BILLION DOLLARS IN GREEN ACRES BONDS THAT WERE APPROVED BY THE VOTERS IN THE PAST SIX YEARS.

THE FACT IS THAT THE GREEN ACRES PROGRAM LACK ADEQUATE FUNDING AND SOARING REAL ESTATE PRICES HAVE MADE IT UNREALISTIC TO HOPE THAT THE STATE OR LOCAL GOVERNMENTS WOULD BE ABLE TO PURCHASE VAST TRACTS OF LAND FOR CONSERVATION PURPOSES. JUST TO MEET THE RECREATIONAL REQUIREMENTS FOR THE STATE'S POPULATION WOULD REQUIRE AN ADDITIONAL 687,000 ACRES OF LAND. EVEN IF WE ESTIMATE THE COST OF THIS LAND AT THE RIDICULOUSLY LOW PRICE OF \$5,000 PER ACRE, IT WOULD STILL COST THE TAXPAYERS \$118 BILLION.

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IN CONTRAST, THE STATE'S GREEN TRUST PROGRAM, HAS BEEN ABLE TO PROVIDE ONLY \$40 MILLION IN LOANS TO LOCAL GOVERNMENTS FOR RECREATION AND CONSERVATION PURPOSES DURING ITS FIRST TWO YEARS OF OPERATION.

SCR-71 PROVIDES AN INEXPENSIVE ALTERNATIVE. THE BILL WOULD AMEND THE STATE CONSTITUTION TO ALLOW MUNICIPALITIES TO GRANT TAX EXEMPTIONS TO REAL PROPERTY THAT IS DEDICATED FOR A SPECIFIC PERIOD OF TIME TO THE MUNICIPALITY FOR CONSERVATION, RECREATION OR OPEN SPACE.

EACH MUNICIPALITY WOULD HAVE THE OPTION TO GRANT SUCH A TAX EXEMPTION BY ORDINANCE, THEREBY PRESERVING THE ROLE OF HOME RULE.

LAND OWNERS COULD ONLY QUALIFY FOR A TAX EXEMPTION IF THEY MADE THEIR LAND COMPLETELY ACCESSIBLE TO THE PUBLIC, THEREBY INSURING THAT THE PUBLIC WOULD OBTAIN A BENEFIT IN RETURN FOR THE EXEMPTION.

MUNICIPALITIES WOULD HAVE THE ADVANTAGE OF BEING ABLE TO PRESERVE PRECIOUS LAND WITHOUT MAKING LARGE EXPENDITURES OR GOING INTO DEBT IN ORDER TO MAKE IT AVAILABLE TO THE PUBLIC. LANDOWNERS WOULD HAVE AN INCENTIVE TO LEAVE THEIR LAND VACANT BECAUSE THEY WOULD NOT FEEL THE PRESSURE OF RISING PROPERTY TAXES. IN MANY CASES, LOCAL GOVERNMENTS COULD BALANCE NEW RATABLES WITH THE DEDICATION OF OTHER LAND TO OPEN SPACE THROUGH THIS PROCESS.

ALL THIS WOULD SATISFY A NEED ON WHICH OUR CITIZENS ARE DEMANDING ACTION. ONE NEED ONLY LOOK TO THE RESULTS OF A 1986 GALLUP POLL WHICH FOUND THAT 88 PERCENT OF THE STATE'S RESIDENTS BELIEVE NEW JERSEY'S NATURAL RESOURCES ARE THREATENED BY DEVELOPMENT.

USE OF RECREATIONAL FACILITIES HAS ALSO INCREASED DRAMATICALLY. BETWEEN 1978 AND 1986, THE NUMBER OF VISITORS TO STATE PARKS DOUBLED FROM 4.9 MILLION TO 9.2 MILLION. MANY OF THE STATE'S MOST POPULAR STATE ATTRACTIONS HAVE BEEN FORCED TO TURN AWAY VISITORS BY 10 A.M. ON SUMMER WEEKENDS BECAUSE THEY ARE ALREADY FILLED TO CAPACITY.

WE SHOULD ALL STOP AND THINK ABOUT HOW MANY TIMES WE'VE ENJOYED SPENDING TIME WITH FAMILY OR FRIENDS AT ANY OF THE STATE'S BEACHES, PARKS, CAMPGROUNDS, LAKES OR FORESTS. IF WE TRY TO IMAGINE WHAT OUR LIVES WOULD BE LIKE IF THESE RESOURCES WERE TO SOMEDAY VANISH, THEN I THINK MOST OF US WOULD AGREE THAT THE QUALITY OF LIFE IN NEW JERSEY WOULD BECOME ABSOLUTELY UNACCEPTABLE.

THAT'S WHY I SEEK YOUR SUPPORT FOR ENACTMENT OF THIS CONSTITUTIONAL AMENDMENT. IF THE ASSEMBLY CONCURS WITH THE SENATE BEFORE THE END OF THE CALENDAR YEAR AND BOTH HOUSES REAPPROVE THIS MEASURE NEXT YEAR, IT WILL QUALIFY FOR PLACEMENT ON THE NOVEMBER 1990 BALLOT.

AT THAT POINT, IT WILL BE UP TO THE VOTERS TO DECIDE THE POTENTIAL OF OUR STATE TO PRESERVE ITS OPEN SPACE. I FIRMLY BELIEVE THAT, BASED ON THE IMPORTANCE MOST NEW JERSEYANS PLACE ON THIS ISSUE, THE VOTE TO PRESERVE OPEN SPACE WOULD BE AS RESOUNDINGLY AFFIRMATIVE AS ANY IN RECENT MEMORY.

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