

# Public Hearing

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## SENATE SENIOR CITIZENS, VETERANS AFFAIRS AND AGRICULTURE COMMITTEE

"The 'Farmland Assessment Act of 1964'"

**LOCATION:** Horse Park of New Jersey  
Upper Freehold Township  
New Jersey

**DATE:** July 12, 1994  
9:30 a.m.

### MEMBER OF COMMITTEE PRESENT:

Senator Robert W. Singer, Chairman

### ALSO PRESENT:

Leonard J. Colner  
Office of Legislative Services  
Aide, Senate Senior Citizens, Veterans  
Affairs and Agriculture Committee

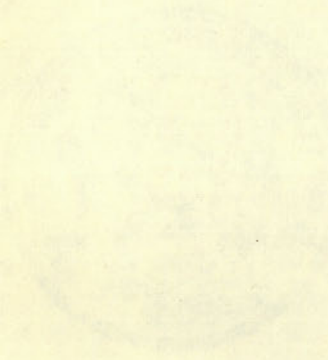


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# Journal of the

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**New Jersey State Legislature**  
SENATE SENIOR CITIZENS, VETERANS AFFAIRS  
AND AGRICULTURE COMMITTEE  
LEGISLATIVE OFFICE BUILDING, CN-068  
TRENTON, NJ 08625-0068  
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## NOTICE OF PUBLIC HEARING

The Senate Senior Citizens, Veterans Affairs and Agriculture Committee will hold a public hearing on the following topic:

### The "Farmland Assessment Act of 1964"

The hearing will be held on **Tuesday, July 12, 1994 at 9:30 AM** at the **Horse Park of New Jersey, Upper Freehold.**

*The public may address comments and questions to Leonard J. Colner, Committee Aide at (609) 292-7676 and persons wishing to testify should contact Lynn Rogers, secretary, at (609) 292-9106. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.*

#### **DIRECTIONS:**

**From NJ Turnpike:** Take exit 7A to Rt. 195 East to exit 11. Make left to Rt. 524, then make right. Horse Park is on your left, about 1 1/2 miles.

**From Garden State Parkway:** Take exit 98 to Route 195 West, to exit 11. Make right to Rt. 524, then make right again. Horse Park is on your left, about 1 1/2 miles.

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**SENATOR ROBERT W. SINGER (Chairman):** Ladies and gentlemen, if you will please be seated, we will start the hearing. (audience complies) Thank you.

Good morning. I would like to welcome you to this public hearing of the Senate Senior Citizens, Veterans Affairs and Agriculture Committee. As you are aware, today's hearing will examine certain events surrounding the administration of the Farmland Assessment Act of 1964. This program has been the subject of much controversy in western Monmouth County, and was also the subject of no small amount of contention during the 1993 gubernatorial campaign.

I think that most fair-minded people recognize the importance of preserving farmland in New Jersey. Agriculture is one of the State's largest industries, contributing millions of dollars to the State's economy and employing thousands of individuals. Agriculture also provides New Jersey citizens with valuable open space, natural filtration and protection of our groundwater supply, and a habitat for many types of wildlife. All these things enhance the quality of life for all of us in New Jersey.

As anyone who has lived in this State during the last 30 years can tell you, the amount of farmland in New Jersey has declined sharply. Whereas New Jersey had nearly 1.8 million acres of land in farming in 1950, that number has slipped to approximately 870,000 acres in 1994. The reasons for the loss are apparent. High land values, New Jersey's location in the New York/Philadelphia industrial and transportation corridor, suburbanization, and the stress to develop agricultural land for other uses have all contributed to the steady loss of farmland in the Garden State.

New Jersey voters have traditionally taken an active role in the protection of New Jersey's agricultural and horticultural industries. Prior to 1963, the State Constitution required that all properties in a taxing district

be assessed at the same standard of value. This provision effectively prevented the State from preserving farmland through reduced property taxation. Faced with this constitutional implementation, the voters of this State overwhelmingly supported an amendment to the Constitution to allow legislation to enact the Farmland Assessment Act of 1964. This law, along with the purchase program created by the Agricultural Retention and Development Act -- and I know the Secretary is here today and will mention that -- and the protections afforded farmers under the Right to Farm Act, have done much to stem the loss of farm acreage in New Jersey.

Today's hearing will deal with a number of important issues:

What has the experience in Upper Freehold Township with the Farmland Assessment Act of 1964 told us about this law?

Are nonfarmer property taxpayers being harmed under the current system, or are there benefits of the Farmland Assessment Program that nonfarmer taxpayers may not realize?

Is the program currently being administered properly?

Should the Legislature consider legislation to revise the Program, and if so, what issues should such legislation concentrate on?

Although I have always been a strong supporter of agriculture in this State, I also believe that recent events here in Monmouth County and elsewhere require the Committee to exercise its oversight function to ensure that the laws and administrative functions relating to farmland assessment are equitable to all the residents of our rural communities, and are fairly enforced by our State and local officials. I hope these hearings will begin such a process.

I would ask that all of you note today that the members of this Committee will be coming in and out. This is a recorded hearing, and those who are not here today will be able to listen to the tapes. Also, you may submit written

testimony, which will be made a part of this hearing. We will be having a second hearing. It will be set up for sometime in July in Trenton, for those who are not able to testify today.

The first two people I am going to ask to speak today -- and they will then join us on the podium -- are the two Assemblymen from this district, Assemblyman Malone and Assemblyman Cottrell. Will the two of you please come up and read your statements, and then join me on the rostrum?

**A S S E M B L Y M A N M E L V I N C O T T R E L L:** Thank you, Mr. Chairman, for letting me speak today on this vital issue.

My legislative district, which includes parts of Burlington, Ocean, and Monmouth Counties, benefits significantly from the tax relief provided by the Farmland Assessment Act of 1964. The fact that many of our farms have survived over the decades is indisputably a result of this Act. In fact, the State of New Jersey has more standardbred horses than any other state. The horse industry is important to the State and needs our assistance.

But I would like to comment briefly on a broader aspect of the Farmland Assessment Act which I believe is very relevant to this hearing; that is, the law's impact on open space in New Jersey.

Thirty years ago, the people of New Jersey overwhelmingly approved a constitutional amendment permitting the Legislature to give farmers the tax break they needed to survive as farmers. With property taxes in New Jersey among the highest in the nation, farmers would have disappeared soon after the Second World War without this tax break.

But the farmland assessment issue is not only about economics. It is also about conservation. Although difficult to quantify, the conservation of open space is an extremely valuable byproduct of the Farmland Assessment initiative.

In addition to the scenic amenity that cropped fields and grazing lands afford, open farmland provides a number of valuable benefits that would otherwise result in permanent loss or added cost to obtain elsewhere: tax-producing open space, endangered and threatened wildlife habitat, a groundwater recharge system that replenishes our drinking water, and the psychological relief from the growing density of this largely urban State.

Until the Farmland Assessment Act was passed in 1964, New Jersey was losing farmland at an alarming rate. In the 10 years before the Act, New Jersey lost approximately 40 percent of its farmland, about 500,000 acres. The Farmland Assessment Act stemmed that hemorrhage, cutting the loss of farmland in half over the next decade. But today, only 8300 farms remain, approximately 870,000 acres of farmland.

Beginning in 1961, New Jersey voters have approved a string of bond issues in support of various efforts to protect expanses and pockets of open space against the tide of urbanization.

I suggest to you that what is good for farmers is good for New Jersey. Farming means open fields; it means a greener, healthier New Jersey.

I commend the progress that farmland preservation efforts have made over the last 30 years, and I believe it is imperative that we stay on course in preserving farmland not only so farmers can market their "Jersey Fresh" produce, but to pursue a healthy balance of development and openness in the Garden State.

In short, open space is a one-way proposition. I would suggest that if we err, let it be on the side of caution, so that even the smallest parcels of open space are not incrementally lost unnecessarily.

Thank you for the opportunity to comment on this very important issue.

SENATOR SINGER: Thank you, Assemblyman.

Assemblyman Malone?

A S S E M B L Y M A N J O S E P H R. M A L O N E, III:  
Mr. Chairman, thank you for the opportunity to address the Committee on this farmland assessment issue, a policy which I feel is important to New Jersey and critical to the survival of the agriculture industry.

I would like to take just a few minutes to comment on one aspect of the farmland assessment issue that seems periodically to raise a question mark in the public's mind: the issue of corporate and noncorporate farm ownership of farmlands under the Farmland Assessment Act.

First, let me say that I believe this Act is of enormous benefit to the agriculture industry in the State of New Jersey as a whole.

Farming in New Jersey has generally been a low-profit, if not an outright marginal business. The slightest fluctuations in the markets, changes in the regulatory environment, or changes in the farmland property tax structure, could easily be the last straw for many farmers in our State.

It is because of this marginality that corporate or nonfarmer ownership of qualified farmland plays an important supporting role in the survival of the agriculture industry. In addition to providing tax-paying open space to their communities, corporate and nonfarmer owners of qualified farmland provide several important benefits to full-time or legitimate farmers. For instance, many beginning farmers cannot outright afford their own large tracts, as property taxes, even on farmland, are among the highest in the nation. However, many are able to make a living by farming parcels of land rented from nonfarmer owners. Part-time farmers can also provide vital extra income for full-time farmers by purchasing hay and other products they need to maintain their own small operations.

It is also important to remember that the reduced tax assessment applies only to the land itself. The property's buildings and structures, like barns, sheds, and houses, are taxed at the same rate as every other structure in the municipality. Therefore, the community benefits from tax-paying open farmland, at a minimal cost to the municipality in terms of public services.

I conclude, Mr. Chairman, by reiterating the overall importance of the Farmland Assessment Act. Whether farmland is used for agricultural purposes full-time or part-time, whether it is owned or rented by farmers, whether a few cows graze on the land or many, the Farmland Assessment Act promotes the preservation of farming and farmland in New Jersey.

One issue that I think is critical to all of us in the 30th District, is that this is our way of life. This is why I think it is critical that if any changes are to be made to this Act, that it looks at what we, in this district and in this part of the State, have become used to as our way of life. Making drastic changes to this piece of legislation, I think, takes deep consideration and the concerns of all of us in the 30th District.

Mr. Chairman, sir, thank you very much.

SENATOR SINGER: I now call upon the gentleman responsible for the weather today, Agriculture Secretary Art Brown. Thank you for the good weather, Art. I know you arranged it, as always.

**S E C R E T A R Y   A R T H U R   R.   B R O W N,   J R.:** Good morning. I am certainly glad to be here, and thank you for the opportunity to appear today before the Senate Senior Citizens, Veterans Affairs and Agriculture Committee to offer you my comments on the Farmland Assessment Act and its importance to agriculture in the Garden State.

Agriculture is one of New Jersey's largest and most diverse industries, with nearly 900,000 acres devoted to a variety of crops and farm products.

Last year, receipts from the production of fruits and vegetables, nursery, greenhouse and sod, equine, livestock, dairy, poultry and eggs, and field crops totaled just under \$700 million.

Farmers in the Garden State produce more than 150 different kinds of nutritious fruits and vegetables for consumers to enjoy either fresh or processed here in New Jersey and elsewhere in the Northeast, in Canada, and in many countries around the world.

In the Northeast, New Jersey ranks third in farm product sales. Nationally, New Jersey is one of the top 10 producers of cranberries, blueberries, peaches, asparagus, bell peppers, spinach, lettuce, cucumbers, sweet corn, and tomatoes.

Nearly one-third of our agricultural receipts come from fruits and vegetables. More than one-quarter of our agricultural receipts come from nursery, sod, and greenhouse products.

Another of our largest cash producers is New Jersey's equine industry which supports thousands of jobs, provides recreation, retains open space, attracts tourism, and generates substantial tax revenue.

Each unique component of New Jersey's agriculture industry must be fully supported by, and included under, the provisions of the Farmland Assessment Act if this diverse industry is to continue to thrive here in the Garden State.

Ensuring the continuation of agriculture is important to all of us. Not only do we value the industry for its products, but also for the groundwater recharge areas, wildlife habitat, and productive, tax-paying open space it provides. In recent years, this productive open space has become an important part of that intangible State asset we describe as our "quality of life," a lifestyle which we as a State depend upon to attract new and relocating businesses to New Jersey.

Clearly, agriculture is critical to New Jersey's economic and social well-being. Among the public policies which have been developed to sustain agriculture, the Farmland Assessment Act of 1964 is the single most important factor in keeping agriculture, and all its positive attributes, alive and well in this, the most densely populated State in the nation.

It has been 30 years since the Farmland Assessment Act was passed. At the time, it was only the second such plan in the nation. Now, every state has enacted a similar farmland assessment and taxation program to support the economic viability of agriculture and help to retain productive open space.

The Act was well-thought-out when it was developed. Over the years, periodic reviews have been made of the law, with six adjustments to the Act by the Legislature. Overall, with these adjustments, the Farmland Assessment Act is still working very well. But the past three decades have brought tremendous changes in virtually every aspect of our lives, and it may once again be time to review this important law to determine if additional adjustments are called for. The review will have to be a comprehensive one that takes into account the ability of our farmers to adapt to changes in consumer demands and improvements in farm technology.

One such example is the way the equine industry has changed in New Jersey. The equine industry has always been somewhat unique in agriculture. When the Farmland Assessment Act was passed, its language included the breeding and grazing of horses. Today, our equine industry has grown beyond that to meet changing consumer needs. The boarding and training of horses has become an issue of importance to many farmers in the State. Boarding and training activities add value to the "final" product, which, though not a crop in the traditional sense, is every bit an agricultural product.

A second example of the kind of change which may now be necessary pertains to the administration and implementation of the Farmland Assessment Act.

We must ensure that those who oversee the law are well-trained and up-to-date on agricultural trends, farming practices, and technological advances, so that they can do their jobs effectively, efficiently, and uniformly statewide. In recent months, requirements other than those in the statute have been imposed by some tax boards, tax courts, or assessors who may not clearly understand farming's seasonal nature or the agricultural significance of pastureland.

On a final note, I think it is important to point out that even with farmland assessment, New Jersey farmers pay higher property taxes than farmers anywhere else in the nation. All farm buildings, residential dwellings and the land used with them, and any other land not used as part of the agricultural operation are taxed at their market value, as is every other taxpayer's property. If property taxes on productive agricultural land were to be based on the market value, we would lose that acreage quickly to other purposes and the profitability of remaining farms would be seriously jeopardized. At the same time, farmland demands significantly less in municipal services than do residential and commercial properties.

A recent nationwide study by the American Farmland Trust indicated that farmland requires an average of 33 cents worth of services for every tax dollar it pays. Residential land, on the other hand, requires an average of approximately \$1.12 worth of services for each dollar it pays in taxes.

For all of the reasons I have just outlined, we welcome Governor Whitman's commitment to proceed with the Farmland Assessment Task Force. We look forward to working with the Task Force as it provides a thorough review of the program. The Farmland Assessment Task Force will make

recommendations which should provide a good basis for the Committee's consideration when suggesting or implementing any changes to the Farmland Assessment Act and its application to farmers and farmland in New Jersey.

Once again, Mr. Chairman, I thank you and the Committee for the opportunity to testify here today. If you have any questions, I would be happy to try to answer them for you.

Thank you. (applause)

SENATOR SINGER: Thank you, Art. I think you have some fans here.

Let me ask you one thing: First of all, as you know, the way the Act is handled, it is two preceding years the property must be used for farm purposes before you can apply. That, to me, adds a lot of confusion to what has happened. For example, if I am to apply for farmland assessment for 1994, I would have had to use that property in 1992 and 1993 for agricultural use. Yet, if I want to start up a farm right now, I do not benefit from that for that two-year period

Should that be changed, maybe, to one year -- our use of that? I know it adds to some confusion in understanding, in general. The people love that. But don't you sense that is a little bit of a problem?

SECRETARY BROWN: It hasn't really been a big problem, at this point, Senator. I think normally if you go out and buy a farm, it has usually been a working farm, one that was farmed previously, so you really do not have a problem in coming up with two years prior. Of course, if you buy a piece of ground that has not been used, then you certainly do have a problem with it.

SENATOR SINGER: Exactly right. That was number one.

Number two, let me ask you-- For example, I rotate my crops and I do not want to use a piece of property for

agricultural use for that season. I would lose my farmland assessment.

SECRETARY BROWN: Well, I don't think you should lose your assessment on that one, no. I think rotation is part of a common farming practice. It has been carried out for decades.

SENATOR SINGER: But based on the law, the way it is written, I would lose that.

SECRETARY BROWN: I think, in most cases, you wouldn't, but there are some assessors who might look at it that way.

SENATOR SINGER: What about if I have a crop--

SECRETARY BROWN: We look at a resting as an agricultural activity.

SENATOR SINGER: What about a crop failure?

SECRETARY BROWN: It should not be taken off the rolls because of a crop failure. We have a lot of land this year, with the drought we encountered in several parts of the State, where we are going to have crop failures. Certainly, if, in fact, they think about taking that off the tax rolls on farming assessment, then we are going to have a lot of appeals. I will surely be out front in support.

SENATOR SINGER: My concern is that it shouldn't even have to be appealed.

SECRETARY BROWN: It shouldn't have to be, absolutely.

SENATOR SINGER: The same situation as you talked about, the equine industry-- Let's talk about broadening the stakes. I have to do stud fees. What if I don't have stud fees that year, or my mare -- or we have a problem with foals that year? I mean, I could virtually lose my assessment, based on the way-- If you want to strictly interpret the law, you can cause a hardship on people. You know as well as I do, when you talk about taking away farmland assessment from one of the largest boarders of horses in the State, because his stud fees did not exceed his boarding fees--

SECRETARY BROWN: Well, I have a problem with that. Again, I look at it-- I am not trying to skirt around it; I am just saying, you know, stud fees, or a crop in a field that was hit by a drought-- It is still an agricultural activity. So the weather didn't go along, or there was a problem with not enough activity with the stud, or whatever it is. I don't think you can be so picky that you are going to pull out something like that.

I think you have to look at the overall operation, just like the rotation of crops. Many, many farms rotate crops. You can't just farm the ground to death. They put in cover crops that they do not harvest; they just plow them under. Certainly, it is still a crop. It is a soil-building crop. I think you have to know a little bit about agriculture when you go to administer this regulation.

SENATOR SINGER: But the point I am trying to make, Art, is that when I leave these things up to interpretation, I therefore leave myself vulnerable to that happening. Those things, I think, have to be spelled out clearly, that, as you say, normal crop rotation--

SECRETARY BROWN: Yes.

SENATOR SINGER: The fact being, the boarding of horses is just as important -- and the training -- today as, per se, the stud fee, that they are familiar with. So I think there might have to be some modifications, so that there is nothing left up to someone's interpretation; so that someone does not have to go to the expense of processing an appeal; or so that someone does not have to worry about what is going to happen, because maybe I don't get along well with the assessor locally, or--

SECRETARY BROWN: Yes, I agree with that. Certainly, it has to be spelled out more clearly, because apparently there are some misinterpretations going on.

SENATOR SINGER: Joe or Mel, do you have any questions?

ASSEMBLYMAN MALONE: No, not right now.

SENATOR SINGER: Thank you very much, Art. I appreciate you taking the time out of your busy schedule.

SECRETARY BROWN: Thank you very much, on behalf of the Department of Agriculture, for taking the time to listen to some of the concerns of the ag community regarding this very, very important Act.

Thank you.

SENATOR SINGER: We will now have Stephen Sylvester, Assistant Director, Property Administration, Division of Taxation.

STEPHEN SYLVESTER: Good morning, Mr. Chairman, Committee members, and the attending public today. I have with me Mr. Harris Adams, a staff resource in farmland assessment with the Division of Taxation.

Today, we are certainly not here to argue against farming or open space. That would certainly be a difficult task in this setting.

SENATOR SINGER: In any setting.

MR. SYLVESTER: Right. I think our purpose today is just to try to explain the State's, and more specifically, the Division's role, or mission, in local property tax assessment, and in farmland assessment as well. I think we all operate under the mission of a constitutional mandate for uniform and equitable taxes. Now, how we achieve that-- I think I have to give you the framework that we operate within. If it sounds like Civics 101, forgive me, but I think we all have to have a thumbnail sketch of the structure that does local property tax assessment, to gain an understanding of how the process works and what the Division's process was, particularly in Upper Freehold.

The framework certainly begins with the Legislature setting the tone through its legislation. This is a first step

in that process if, indeed, the Farmland Assessment Act is to be changed. The State and the Division of Taxation's role is one of oversight to see that the statutes are administered properly. Over the years that has been done through the Local Property Tax Branch, which has seen a reduction in its resources to the point where we are now more reactive than proactive. If we had been more proactive, maybe a situation that occurred in Upper Freehold, and maybe that is present in other municipalities, may not have occurred. But the fact is, we are in a reactive position right now. By that I mean, when court cases come down, we do our best to interpret them, apply them, and get the word out to educate assessors and county tax board administrators.

Concerning county tax board commissioners, they are appointed by the Governor. It is a part-time job. It is quasi-judicial; the other half being quasi-administrative. Being part-time, sometimes they have-- County tax boards have a difficult time wrestling with a tough issue like farmland assessment, which has a lot of technical aspects to it.

Then you have the local assessor who, as I said earlier, the State should be proactive in training on these difficult issues, but sometimes they do not get the training they need. Also, municipalities sometimes reduce the assessor's function to part-time, which also hurts the assessor in doing the job that is required in that municipality. The assessor is appointed by the local officials, paid by the local officials, but supervised by the county tax board and the State.

Then, indeed, you have the taxpayers -- many of whom are here today -- who we are all answerable to.

I just set that framework so that everyone has an understanding of what we are operating within, because it is difficult, at best. I think what I described is a system that has a lack of clear accountability. When you have that, there

are going to be questions on interpretation and who is responsible for the administration and application.

So, cutting right to the chase on the situation in Upper Freehold, what the State's involvement was, and how we came to be involved, it goes back to mid-'92, when the County Tax Board asked us to come in and review some of the practices in Monmouth County and in Upper Freehold. Our staff resources did a review and found some problems in the assessment practices in Upper Freehold as they relate to farmland assessment. The County Tax Board adopted our report and recommendations, and asked that the municipality and the assessor implement those recommendations.

As time passed, we saw that those recommendations were not being implemented. Time was running short. Resources were not available at the local level. The State offered its resources to come in and do a 100 percent review of all farmland applications, to get it done by the deadline required by law. We did inspect every farmland application, every block on the application. We think we did a professional job. This whole process that we have been following has been a continuing dialogue, we think, through the assessor, our inspectors, and, indeed, the taxpayers, if they needed to come forward with additional documentation we may not have seen in our first inspection.

So that is where we are today. We are finished with our inspections, as you all know, and now we are in the appeal process. These issues are now in front of the quasi-judicial body, whose responsibility it is to hear and decide, based on the facts presented to it. The County Tax Board I am speaking of. When this is all over, I hope we are all a little wiser and a little more informed, and appreciate the idea that uniformity and equity are good things across-the-board, and that the process will work if everyone involved in it is educated and knowledgeable and is doing his or her job.

I thank you for the opportunity to make these comments. If you have any questions, we would be happy to answer them.

SENATOR SINGER: Thank you.

First of all, I think I would like the Division to come back with some suggestions where they see gray areas. I know there are some gray areas in the Act that are left up to interpretation. I think we have to close some of those loopholes.

I know we are going to be taking a look at the horse industry as a whole. That has changed greatly in our State. We may have to take a look at the boarding and the training of horses -- as the Secretary of Agriculture said -- as a farm aspect. I know we have had some problems as to what horse farms are, and the whole bit with that. That has also been a gray area. I want to take a look at that whole issue, because that is very, very important to us. As you know, the horse industry has been going through a lot of changes in our State, and a lot of problems in our State.

I am also a little concerned about how we determine the five acres sometimes. We have heard stories of people -- the infamous wheel that walks around and makes that determination. Though I would not have a problem granting farming in all existing farmland, I think that future farmland assessment has to be done via submission to Taxation of a surveyor's map clearly marked out. If there is a concern from the State, they are going to have to do the same thing with a surveyor's map. I don't want to see the interpretation done by a wheel, and then the question being, "Did you really do my whole property?" That was a problem we heard from the field. But that situation, I think, can be easily remedied.

I want you to look at one other aspect in your thoughts, because your Division's feedback to us is very, very important. We realize this is supposed to be looked at every

year -- farmland assessment. It is not being done; it can't be done. So let's be realistic about it, and not require something that can't happen. Let's see if maybe we should require that, though yearly, the person receiving the farmland assessment should have to submit paperwork, including a certified copy that they are using that property for such a situation. Maybe the on-site does not have to be done but every two years, or every three years. That would make more sense. Even if there had to be a slight fee charged for that by the local assessor of \$20, or \$15 to go out and do that, defray the costs to the small municipality, I am sure no one would be upset about it if it is done properly.

Maybe in this one case, because of the uniqueness of it, we might have to require that there be a small fee set by statute of maybe \$15 or \$20, and the court every two years, or three years, to go out and physically do that, if the municipality does not have a full-time assessor.

MR. SYLVESTER: I would just say to that, it is also-- The municipality should also look at how it staffs the assessor's office, because even if you require an inspection every other year, if the staffing is not there, you are right back in the same situation.

SENATOR SINGER: True, but, you know, as the Governor has said, we have to do things differently. Maybe this is a way to help small municipalities in tough times and budgets to defray some of this situation. This is not just a drive-by. As you know, it does require more than that. I think we have to be aware of that. It may not be that. You may feel that is the wrong way to go. It is a suggestion to look at and to think about.

Again, I think your Division has had the most experience dealing with the problems, because they come to you with them. It has to come back to us and say, "Here are the gray areas we are finding a problem with." It will be easier

if it is all spelled out. As I said to you, that is really what we want to do. The Committee wants to look at the Act and say, "Where are we failing?" The public -- where are they not clearly understanding it, and where in the interpretation are you having the real problem? There really should not be a lot of appeals in the course of a year of performing assessments. It should be basically black or white. When there are a lot of appeals, it means that we are doing something wrong, not intentionally, but maybe the fault lies because the legislation does not allow you -- or the interpretation of the legislation does not allow you to do what you want to do.

So that is where I want to work with the Division, on that, also, to see where we can close some of those loopholes and come back with something that is a little bit easier for everyone to understand.

MR. SYLVESTER: We will certainly go back and come up with some of those examples. We will welcome the opportunity for that input at the next Committee hearing.

SENATOR SINGER: Joe, that is not a microphone; that is just for the recorder.

ASSEMBLYMAN MALONE: Can everyone hear me? (no response)

The question I have is: Based on your recommendations, how many appeals were generated on this farmland assessment situation? Does anyone know?

HARRIS ADAMS: I believe it was 38 -- part of our recommendation, 38 appeals.

ASSEMBLYMAN MALONE: Thirty-eight appeals were generated based on your recommendations?

MR. SYLVESTER: Well, we made recommendations on the acceptance or denial. Of those we recommended be denied and which were, in fact, denied, 38 of those appealed.

SENATOR SINGER: Out of how many total, do you remember?

MR. SYLVESTER: Fifty-seven.

MR. ADAMS: I believe the number is 57.

ASSEMBLYMAN MALONE: What was the total number requested for farmland assessment?

MR. ADAMS: Fifty-seven.

MR. SYLVESTER: No, 500 and-- Total farmland applications were 500 and--

MR. ADAMS: It was under 500 -- 465, in that neighborhood.

ASSEMBLYMAN MALONE: Okay. Thank you very much.

SENATOR SINGER: Thank you very much. We appreciate it.

We have the Mayor of Freehold here. Bill, where are you? Oh, there he is. I knew he was here somewhere. I'm sorry I didn't call you first, Bill. I had to get Art out of here right away. He was--

**M A Y O R W I L L I A M E. M I S C O S K I:** Thank you, Senator, for having these hearings.

I really am not prepared to speak today, but there are some things I want to bring up. What Mr. Adams just stated was-- That was on the State level -- the 38. In Upper Freehold Township, there were 57 that were turned down.

Also, on your County Board of Executives -- or Taxation, I would like to say that I feel that Mrs. Scarano should not be allowed to sit on that Board. She has become a crusader against this Act. She sits on the County Board of Taxation and rules on these appeals. She has been very instrumental in the challenge and the enforcement of this Act. So I feel she is very biased sitting here on these appeals.

I believe my clerk would like to say something else about the responses from the State. I am a little hoarse. I had District 12 baseball all week, and I am hoarse from it.

**B A R B A R A L. B A S C O M:** In response to the assessors and the assessors' training, first of all, on behalf of the

Mayor and the Township Committee of Upper Freehold, we have the utmost confidence that our assessor, and many of the other assessors in the other communities, are very well-trained, well-schooled, and certified.

In this particular legislation, there are known gray areas, about which all of you are speaking. The assessors that I know, our assessor in particular, have constantly upgraded their education. On behalf of the Mayor and the Township Committee, I have written several letters, I think most of which I sent copies to Senator Singer, to Mr. Sylvester, to Mr. Adams of the State, asking that they intervene at some point, and maybe rather than be on an adversarial level, to come in and clear up those gray areas, rather than getting into an entire investigation.

The residents of the municipality-- I more so than anyone else get the telephone calls. I am in the office. I hear the people speak. They begin to feel almost that they are criminals of some sort; that they have defrauded the government somehow; that they are illegally claiming something that they are not; and they are being looked at as so-called "shady characters," people trying to get away with something. This is not the position they are in.

If there are gray areas, we have asked that the State come in at a point prior to the onset of the investigation -- to come in and explain those gray areas. Let's work them out at that point, rather than with such and such, with our residents, rather than it getting to the point it has gotten to.

SENATOR SINGER: Let me say this to you: I think you make a very valid point. We have talked about it. There should not be any gray areas.

MS. BASCOM: Right.

SENATOR SINGER: We have to stop that. I think it is really an expense to your local municipality. That is what we have talked about, some offsetting expense. It is nice to say,

you know, "full-time assessor," and that is all so much ado, but taxing people to pay for it and finding the money in the budget is another story.

Second of all, every time there is a problem, they have to go to the expense of bringing an assessor in. Dealing with the State with that is not the purpose of the Act. So with anything else we can accomplish from this, I am hoping that at least we will come out with legislation to make sure there are not gray areas; that everything is clearly understood, so that we do not go through this back and forth; and that the burden of constant proof is not thrown back on the municipality that has to spend the money.

It is not our purpose here to make anyone feel like a criminal. You know, the Farmland Assessment Act not only has the purpose of agriculture, which we have talked about, but it is open space preservation. I think we have lost a little of that through misinterpretation. If we force people to give up their farmland assessment state, what we are going to do is create more subdivisions in your town, more building. And when we talk around and say, "What happened to all the area in our town? What has happened?" we all understand that there is a whole concept here of preserving open space. We are concerned about overbuilding, overdevelopment. Certainly, we have to take an active role in this.

I appreciate your comments.

Mayor, to the first part of your comments, I really can't say anything.

MAYOR MISCOSKI: I would also like to say, I feel that any change in the acreage to this would be very detrimental, and any change to the amount of money that has to be brought in would be very detrimental, and would really hurt the land in Upper Freehold -- the farmland in Upper Freehold.

SENATOR SINGER: Mayor, I really have to tell you, from the feeling I have had from the Committee members in our

discussions, that is certainly not our intent. We are more looking at closing up some of the gray areas. We are looking at so many concerns about, "Do I have five acres or not?" things going back and forth that have been expensive to home owners, that have made them feel as though they are guilty parties, as you have pointed out, which we can stop. That is really not a problem to do. I don't really think we are going to look to change the dollars and cents, although I am concerned about the horse industry, as such. We have discussed that, and you have heard a lot of comments about that. As the words define, really, as farmland assessment for horse purposes or other--

MAYOR MISCOSKI: I would also like to suggest -- and not because I particularly own one -- that golf courses also provide a great open space to Upper Freehold Township, and to the State of New Jersey.

Right now, the golf industry is also suffering, because you cannot charge higher prices. People would just quit playing. They provide a very, very large area of open space -- nothing but grass on it for New Jersey, and I think they should also be thought about in this Act.

SENATOR SINGER: Plus a lot of frustration.

MAYOR MISCOSKI: A lot of frustration.

Thank you, Senator Singer.

Oh, she would like to comment on the tax dollars for such one minute.

MS. BASCOM: There have been several comments, and I have heard it here today, about the amount of taxes paid by those people with the farmland assessment. On behalf of the residents of farms of Upper Freehold Township: Number one, Upper Freehold Township does not have the expensive services of another community. Farmers are not interested in having sidewalks, sewers, police departments, and such like that. The rate isn't there. They do not cost services. We do not have

to provide them. Therefore, we are not suffering from that lack of tax dollars, as has been so indicated.

MAYOR MISCOSKI: Thank you very much, Senator.

ASSEMBLYMAN MALONE: Mayor, sometime later this summer, I think I would like to maybe come out and have a one on one, a little conversation with you, and maybe on an individual basis, with some of the people who have been impacted by this. I can get a much better feeling one on one as to exactly--

MAYOR MISCOSKI: We would very much enjoy that.

ASSEMBLYMAN MALONE: I will be getting in contact with you. Thank you very much.

MAYOR MISCOSKI: Thank you.

SENATOR SINGER: Beverly Scarano, Monmouth County Board of Taxation. Good morning.

C O M M . B E V E R L Y B O V A S C A R A N O: Good morning. My name is Beverly Bova Scarano. I am a Commissioner on the Monmouth County Board of Taxation. I have served in that position since 1982. I am a native of Middletown Township.

I, too, appreciate the opportunity to present testimony about the Farmland Assessment Act of 1964, and to offer my remarks based on my own experiences with regard to compliance and enforcement issues relating to the Act.

I am President of the New Jersey Association of County Tax Board Commissioners and Administrators. In September of 1993, at our annual Education Conference, I invited knowledgeable professionals to participate in a program on farmland assessment in New Jersey. The title of the program was, "Angles, Abuses, Assessment, and Administration: Is it time for a change with regard to the Farmland Assessment Act?"

All of the attendees were impressed with the background, experience, and knowledge of the speakers. Experts included participants who were from Rutgers Agricultural Extension, the Bureau of Forestry, State Woodland Management

Program, the assessing field, and the legal profession. We were impressed with the genuine candor in separating fact from fiction, and detailed information on how the various farmland programs are, or are not working in today's environment.

Ten months later, I am still of the opinion that the Farmland Assessment Program does require some change. There have been such divergencies of opinion and interpretation about the law and its administration and assessment programs, that I believe it is affecting integrity and fairness in property taxation for all the taxpayers of New Jersey.

The Division of Taxation produced an excellent reference guide entitled, "The Farmland Assessment Handbook for New Jersey Assessors." As I understand it, the Farmland Advisory Committee and others recognized that after a review of farmland assessment practices, there was a need for a single comprehensive source of information that assessors could refer to for guidance in administering the various provisions of the Farmland Assessment Act. The guide continues to be an effective source of information not only for assessors, but for members of the county boards as well.

The preface goes on to state: "Effective and diligent administration of the Act is essential in view of the substantial tax benefit accorded to owners of land receiving preferential property tax treatment."

For any number of reasons, some valid, some not, it appears to me that 30 years after the Act was created, that the Act and its criteria need to be revisited and amended in order to make it more in tune with what is happening in New Jersey.

Administration and enforcement of the Act generally falls to the County Board of Taxation and to the assessor. The lion's share of the administration of the requirements for compliance and enforcement falls on the shoulders of the local assessor.

One problem I see is that many municipalities insist on having a part-time assessor, when the job clearly indicates that it should be a full-time position. This is very evident when a municipality has a large number of farmland-qualified properties to monitor.

The tax benefit accorded to owners receiving preferential property tax treatment requires that sufficient time and manpower be in place in order to complete compliance with the law.

It is my observation, for instance, that it is difficult for a part-time assessor to inspect all farmland properties in a timely manner. The lack of a reasonable ongoing program in a municipality can lead to abuses.

Not having the time to gather documents which should be a part of every farm-qualified property's files, such as soil maps, surveys, documentation as to income, and the like, all contribute to potential problems in administration and enforcement of the requirements.

Not having adequate support staff for the assessor is another practical problem which has surfaced.

The other side of the coin is that if an assessor has the job and the responsibility for this work, and is being paid to do it, then it should be done.

More than 30 years ago -- as has already been mentioned -- the New Jersey Supreme Court ruled that farmland should be assessed just as all other property in New Jersey, with no preferential treatment.

Thirty years ago, the Legislature and the voters of New Jersey approved the Farmland Assessment Act by solidly endorsing it as a means to preserve farmland and accord special preferential property tax treatment as a way to accomplish that preservation.

Thirty years later, it appears that the Act, together with its administration and enforcement, still needs to be

revisited. I think taxpayers would probably agree that we want to do what we can to preserve farmland today, but those same taxpayers would be dismayed to find that there are instances where there are problems and abuses which lead to most taxpayers carrying a higher burden of their fair share of taxes, because the law is not being administered or enforced appropriately.

Our Board, like every other county tax board, has always handled appeals of qualified farmland and appeals concerning the imposition of rollback taxes. But not since 1992 have I seen and heard so much about the shortcomings of this program. More often than not, the complaints brought before our Board have turned out to be fairly valid. The old adage, "Where there's smoke, there's fire," fits this situation.

While I believe that the basic premise of the Act and its requirements were very well-founded, the time has come to take another look. Somehow, the more modern day issues of farming in New Jersey and the intent of the use of the land for farmland has become eroded.

A simple mandate of the law with regard to the collection of rollback taxes, for instance, has become an area of "interpretation," thus may result in the loss of thousands of valuable tax dollars that should have been collected as a matter of course, thus helping to recapture money that could have been used for municipalities and the operation of their schools. The statutes state that rollback taxes shall be collected, not might be collected.

Some solutions that I and others see that your Committee could explore are:

- \* Look to other neighboring states and see what they have done to preserve the farmland they have.

- \* Consider increasing the minimum area of qualified land from five acres to ten acres or more. The smaller parcels of land have become very controversial and a source of problems.

\* Consider increasing the required minimum gross income from \$500 for the first five acres to at least \$1000 or more.

\* Find a more effective method to verify all gross income derived from legal farming activities and emphasize the penalties for fraudulent submissions of receipts.

\* Create new category and new income guidelines for the equine industry. This would include breeding, raising, racing, and boarding of horses. This area of the agribusiness was recognized as being one of the fastest growing industries, and it needs to be addressed. There is a more modern-day problem with this area which may not have been contemplated 30 years ago.

\* Consider increasing the number of years to collect rollback taxes from three years to ten years. Perhaps more land will stay in farming, as most people want it to. This may inhibit the use of the Farmland Assessment Act as a way for developers, investors, and multimillion dollar corporations to hold land at a very minimal cost until the "market" is right for development. This is often viewed -- erroneously or otherwise -- as an "angle" of the Farmland Assessment Act.

\* Seek out those taxpayers and assessors who have "stepped up to the plate" to alert county boards of cases where there have been abuses of the Farmland Act. Ask them to come forward and give testimony which you will be able to weigh in your deliberations.

Whether we are legislators or members of county boards of taxation, we have a basic responsibility to the Constitution of New Jersey and to its citizens to make decisions that are fair and equitable to all, not just a few.

In conclusion, and on a somewhat lighthearted note, I enjoy the whimsical and yet wisdom-like thoughts of Charles Schultz, the creator of Peanuts. I have on my desk a framed cartoon in which Lucy says to Charlie Brown, as she is building

a beautiful sand castle -- probably somewhere along the Jersey Shore in Monmouth County -- and Charlie Brown is looking over his shoulder at a very large ocean wave about to crash down, "And 1000 years from now, people will look at what we have built here today and be totally amazed."

I am not concerned what people will think 1000 years from now. Whether you are a legislator, an assessor, a county board member, or an employee of State government, we are here to uphold the requirements of the Farmland Assessment Act. I believe that we can do no less for all taxpayers -- all nonfarmland property taxpayers -- who agreed to extend preferential farmland tax status to those who qualify.

Thank you.

SENATOR SINGER: Thank you.

There are some questions I would like to ask you, Ms. Scarano, but first of all, thank you for coming today.

Again, I have a concern about the yearly process. As you know -- and we talk about having proper assessors -- the town that I am Mayor of is approximately 48,000 people. We have a full-time assessor and staff. There are probably about 10 people in the assessor's office alone, which is quite expensive, as I am sure you realize. We do not assess property yearly. You know that the State requirement requires every 10 years for a full assessment. It usually doesn't make it to 10 years. With the jumping real estate costs, it is probably reassessed around seven or eight years. Our last reval cost about \$1.5 million to do. It is very, very expensive. You know that.

I think we might want to look at changing that yearly requirement for them to go out and do that, so that it becomes more realistic -- whether it is every two years, or every three years. Again, a person has to certify yearly that they are still using it for that purpose. If they are not, I don't blame you. There certainly could be stringent penalties that

way. But I think, number one, it would be more realistic and more cost-effective to do that.

The second area which you mentioned that I have some concern about -- and I think it is very, very true -- is the rollback tax issue. There is a lot of concern about the future intent of land. For argument's sake, if I would sell the land for future development, you know, and I am farming it right now, I could lose that tax break. Some of the tax board hearings have improperly interpreted that. The courts have spoken on it, but yet the tax boards speak differently. I think we have to clear that up once and for all, that whole gray area.

One of the things I remember from the research was the syntax homes of New Jersey versus Manalapan Township in 1982, which clearly stated that future intent has nothing to do with it, yet still tax boards, in some areas of the State, look at future intent if someone sells a property to a developer, yet still farms it, and they want to take away their farmland assessment. I think, again, this is where a gray area becomes a problem, and we have to clear it up.

I think the other thing you mentioned which I have constantly talked about, is the horse industry. I think there has to be a broader, more realistic approach taken to qualify the use of -- to breed, or graze, or maintain animals. Maybe make a better generalization. The reason I say that is, the requirement, the guarantee that there will be foals, that they will survive, that we are not taking into account the boarding -- how important that is -- has really hurt that industry. I do not think, certainly in our area of the State -- Monmouth County, Burlington County, and Ocean County -- where the horse industry is thriving, that we want to do anything to curtail that industry or hurt that industry. They are suffering enough. We are having enough problems at the tracks in the State. I think we have to take a step forward.

I appreciate your concerns. You certainly raise some valid points. Certainly, the responsibility rests on the County Tax Board for the final answer in the county.

I don't have any other questions. Joe?

ASSEMBLYMAN MALONE: Just one question. I guess this is something I have heard echoed. The individuals that are on the county tax boards tend to be-- What do the qualifications usually tend to be for commissioners on county tax boards?

COMMISSIONER SCARANO: I understand there are some criteria, but it is broad. When politicians are looking for someone to appoint to fill vacancies, they are urged to look for folks who come with a real estate background broad enough, or endeavors in their own workplace that would enable them to identify with the work they have to do in ruling on real estate matters and taxation matters.

ASSEMBLYMAN MALONE: In the particular group in this county do any of them have any expertise in the area of farming assessments, and so forth? What type of background do they have?

COMMISSIONER SCARANO: The President of our Board is a lawyer so I assume he has somewhat of a broad background, though he is certainly not a farmer. One member of our Board is a Realtor, with a broad background in real estate. Another member of our Board is a developer and entrepreneur. The last member of our Board is a homemaker and has a background in matters of income tax. I myself am an appraiser, a broker, and I have tried to be, over the years since I have been involved with the County Tax Board since 1982, involved with the association to educate myself and become, always on a monthly basis, up to date. None of us have a farming background. The training of Commissioners even to be on the Board is extremely limited, but more than that, if you get into a specific area like this, we are not experts, not by any means. Some of us have tried to take classes to better understand our position.

ASSEMBLYMAN MALONE: Might it be a possibility to look into the future to have individuals on county tax boards -- not just this county -- who more reflect the character of the county they are from, so that all aspects of the county are represented; so if you have a farmland assessment issue, you have someone on that board who is keenly aware of the issues related to farmland assessment, so they can enlighten, maybe, some of the other members on the county tax board as to some of the day in and day out problems that individuals may be having?

COMMISSIONER SCARANO: That certainly would be good, but that is part of the political process.

ASSEMBLYMAN MALONE: I understand that. Okay.

SENATOR SINGER: First of all, it is my understanding, Joe, that there are requirements to sit on county tax boards. You have to fill certain requirements to be a member of a county tax board. Not everybody can sit on them.

COMMISSIONER SCARANO: Well, you certainly have to pass the property tax administration test and the other two tests, in order to remain on the County Tax Board, or you have to hold a certified tax assessor's certificate, which I do.

SENATOR SINGER: Right. There are certain requirements.

Second of all, as I said, it is up to the county to make that determination, Joe. They make the recommendation to the Governor, and the Governor just usually takes those recommendations.

Yes, Mel?

ASSEMBLYMAN COTTRELL: I am just surprised to know how many are on the Board who are qualified not only for farming, but certainly are educated-- Most people who graduate from agricultural school understand the farm and the farmland assessment. On a farm, when you are talking about \$500 to \$1000 right now -- with the crop we have right now-- I know farmers who are selling everything right now, and are not going

to make a dime on it. Of course, that's not intervention, but it is simply (indiscernible) of a symptom.

I also have a problem that some of the tax assessors are really not qualified to look at farms. For example, Bill Platt is sitting out there. He knows the fears I have. Someone called me and said it wasn't farm (indiscernible), to find out that the tax assessor never got out of his car to look at the field in the form of weeds. I had to go and take the assessor out to the other farm and show him what soybeans are. Now, this is totally ridiculous. We got the assessment back for the farmer, but we should have qualified people in tax assessment who know what they are doing when they go out to a farm.

COMMISSIONER SCARANO: Certainly, they do not come from an agricultural background. They are still nominated to sit and the Governor finds them qualified. There needs to be more education for the commissioners, and there needs to be more education mandated for assessors on farmland assessment. I agree with you.

ASSEMBLYMAN COTTRELL: Well, there are a lot of farmers, I don't know, like Bill Platt who is really educated, who live on a farm. I myself spent 45 years on a farm, and it is understandable. It is a shame that you have to go out and explain to a tax assessor what soybeans are, or what hay is, how to harvest it, and so forth. When you have a drought, everything goes down.

COMMISSIONER SCARANO: I agree with you; I agree with you.

I would just like to follow up concerning the inspections: Either by design, or due to flexibility, it has been my observation that it has always been a guideline from the State and from county boards that all tax assessors should have an ongoing program for inspections. There is nothing written that I know about that says it has to be done once a

year. Certainly, in a municipality like Upper Freehold, with as many farms as they have, it is impossible to do in one year.

SENATOR SINGER: Well, the statute requires that to be qualified each year, you have to be certified by the assessor.

COMMISSIONER SCARANO: What the assessor relies on is the farmland application that is filled out by the taxpayer.

SENATOR SINGER: That is true but, in essence, the way it is supposed to be is, they are supposed to go out and do that. We're saying they can't do that, they physically can't. If it is a three-year process within a three-year cycle, every fall it would be seen would make more sense. Why put something in there that really can't be done?

You know, we keep talking about the small municipalities' burden. A tax assessor today-- It is not the tax assessor. It is the tax assessor's clerk; it is the whole department. It's big dollars. It is not little dollars today. I have to tell you, many, many towns in Monmouth County share assessors. As a matter of fact, our assessor, who works full-time, works weekends and nights to do other towns, because they just can't afford full-time assessors.

Okay, thank you.

COMMISSIONER SCARANO: Thank you.

SENATOR SINGER: Peter Furey, Executive Director, New Jersey Farm Bureau. Hello, Peter.

P E T E R F U R E Y: Good morning, Mr. Chairman, Assemblymen Cottrell and Malone. I will try to get through this as quickly as I can, so that the local residents who are here to testify will have some time.

My name is Peter Furey. I am Executive Director of the New Jersey Farm Bureau. I will be presenting some overview remarks on behalf of our organization today, inasmuch as our President, Steve George, has a prior commitment in Washington.

The Farm Bureau and its constituent county units represent the farmers in the State. We act as a representative

spokesgroup and serve as a clearinghouse for farmer opinion. We have a well-structured policy-making and information distribution system in place that we maintain and use all the time. In a policy area like farmland assessment, should there be any substantial questions or policies raised in a legislative context, we will put the word out and gather opinion to make it available to the Legislature.

Farmland assessment is certainly one of the issues that we would consider to be extremely important to farmers in the State. There can be no question that the program has had a huge beneficial impact for farming and the retention of open space throughout the State. New Jersey agriculture is a \$750 million wholesale market value industry practiced on nearly one million acres. Despite problems with marginal profitability, the industry contributes greatly to the economy and rural amenities of the State. It has some very interesting potential for even greater contributions as we head into the 21st century. State policies need to be supportive of the industry if we are to achieve that potential in a fast-changing world.

We support this Committee's initiative in reviewing the program. Much of the public commentary in recent months has not been objective, nor has it been complete. We welcome the opportunity to represent production agriculture during this review, provide some historical perspective, and otherwise play a constructive role.

I would just like to make a few observations, if I might:

I think we should remind ourselves about the basic purpose of the program, which is to provide an incentive for owners of farmland to keep it in open space. It is not a zoning mechanism to regulate development; it does not guarantee farmers a profit; and it is not automatically conferred upon anyone. Rather, it is a municipally administered property tax

incentive program run in accordance with State regulations to help preserve open space.

Second, this program must be recognized and reviewed in the context of production agriculture. We understand that there are lots of peripheral issues that attract attention to the program, like Governor Whitman's farm qualification. Regardless of this type of attention, we encourage the Committee to keep the reality of farming in New Jersey as the central issue during this review, while exploring whatever other issues are raised.

Now, if we had to choose one of the following, we would say that most of the concerns about the program arise from the administration of the program, rather than the core standards and criteria. This comment is directed mostly at the role of the municipal tax assessor. Even though there are some standards that need to be changed to eliminate some vagueness of the rules, we believe vigorous enforcement by assessors familiar with agriculture can eliminate much of what is being questioned about farmland assessment.

Much has been said during the past year, by the news media and some elected officials, that "abuses" of the Act currently exist. It should be pointed out that no landowner can get preferential tax treatment under the Farmland Assessment Act without the signed approval of an application by the municipal tax assessor. The assessor is under oath and charged by law to properly and legitimately administer the Farmland Assessment Act in accordance with the law, official rules and regulations, and pertinent court decisions interpreting various aspects of the Act. Thus, the assessor is supposed to know the law, and if he or she properly executes his or her responsibilities, no application will be approved that does not fully meet the requirements for qualification under the Act.

Taking a closer look at the assessors' role, there are two characteristics that warrant review: the part-time status in many municipalities, and the need for continuing education about agriculture. Many taxing districts employ part-time assessors. Such assessors often do not have enough time to carry out the duties of their office. Many of them do an excellent job, but are simply understaffed. Governing bodies which underfund the assessor's office may not realize the resulting effect on tax revenues.

Regarding education, there are many new assessors who are replacing some of the veterans who have been in their positions for many years. Some of these new assessors lack experience in agriculture and the Farmland Assessment Program itself. What effort is being made to educate them? Who is responsible, the Division of Taxation or the county tax boards? The assessor's handbook on farmland assessment is a good start, but there ought to be a mechanism established for achieving a good working knowledge of the Act and its rules by the assessors who have farmland in their tax district.

When reviewing both the criteria and the administration of the Act, most people confine their remarks to the original terms of the program, i.e., the five acres, the \$500 for the first five acres in gross sales, two years of active devotion prior to qualification, etc. However, very little is said about court decisions, which, in effect, dictate how the Act should be administered in various situations. There are more than 150 cases and decisions on record, all of which have a direct bearing on the uniform administration of the Act. In general, these cases have made the program more, rather than less restrictive. Any legislative review of farmland assessment should include a formal analysis of these opinions and how they are being implemented by assessors.

Next, we support a change in the program to grant qualification for more of the horse industry. Currently, only

equine breeders can qualify. There are other farms that board horses, as well as raise hay or pasture, which cannot qualify, but should. You will hear directly later this morning from this commodity group about this, and we support their efforts.

With regard to forestry, there was a change in 1987 requiring "woodland management plans" for wholly wooded tracts. This was a successful improvement to the program. There are some unique conditions with regard to forestry income that argue against any further changes here.

As has already been stated by Secretary Brown, we should remind ourselves again that farmland enrolled in the Farmland Assessment Program is a positive tax ratable for a municipality's tax base. In other words, more taxes are paid on farmland than the amount of money required to pay for municipal services in support of that farmland. A definitive study on this point was prepared in the mid-1980s by a former tax assessor. That study needs to be updated with current tax numbers for a New Jersey municipality. We are confident that it will show that farmland assessed property more than pays its way in terms of the local tax base. Furthermore, it should be noted that on average, New Jersey farmland requires three times the national average in property taxes. Also, the nonfarm public should recognize that a farmer pays full taxes on all farm buildings, the farmer's home, and the land underneath the farmer's residence. Some farmers believe that they are paying inflated taxes on their farm buildings, as municipal assessors attempt to recoup revenues from the reduced tax assessment on the farmland.

You would hear, if we had 10 working farmers following me in testifying on this-- There would be a very strong opinion of support among almost every farmer in the State for the Farmland Assessment Program, but even there farmers have several opinions, and I have identified them in the remaining part of my testimony. Some farmers complain about:

\* Excessive or arbitrary requirements for documentation to support income figures.

\* There is a problem with requirements for separate FA-1 applications for each individual parcel, rather than allowing a combined farm application for multiple parcels.

\* There are some difficulties in establishing "anticipated farm income" in the event of a crop failure beyond the control of the farmer.

\* There is a tax shift that we perceive to farm buildings, especially in the case of pole barns, fences, and things like that.

\* There is a problem with response time. We have already talked about this, Mr. Chairman, with your interest in relieving some of the paperwork to a biannual basis. One of the problems you have now with so much paperwork, is that it is very hard for the assessor to get an answer back to an applicant about where that application stands and whether there would be sufficient time to file an appeal.

\* There is another issue about land under roadside farm markets that were built on previously cropped ground. That land under roadside farm markets, we believe, should be kept in the program. Similarly, there are new issues emerging in terms of leaf composting and sludge application, that staging grounds for that should be considered part of the farming operation and kept in the program.

\* Generally, there is a lack, most farmers believe, of knowledge in the public that the prices for farm commodities have lagged, if not deflated during the past 30 years, during the program's existence. The idea of changing some of the standards has to-- When I said take into account the reality of farming, if you look at what a farmer is paid for a bushel of soybean or a bushel of wheat right now, it is not a whole lot different than it was 30 years ago.

Thank you very much.

SENATOR SINGER: Thank you, Peter.

Are there any questions? (no response) Thank you, Peter. We appreciate it very much.

John Galt was supposed to be here, Executive Director, New Jersey Center for the Public Advocacy of Citizens. Gene, are you speaking for John?

**EUGENE SARAFIN:** Yes. Good morning. My name is Gene Sarafin. I am here for John Galt. I represent the New Jersey Center for the Public Advocacy of Citizens.

Who and what is the NJCPAC? The New Jersey Center for the Public Advocacy of Citizens was revived after Governor Whitman and the Legislature, of which you representatives are a part, decided to eliminate taxpayer funding of the Office of the Public Advocate to represent the interests of New Jersey citizens against the powerful special interests in this State.

The organization is statewide, and has over 500,000 participants. There is no membership list. There is no budget. It is an organization of volunteers whose only organizational structure is to work together for the protection of all citizens' interests. It is headed by John Galt. Its purpose is to be an advocate for citizens of New Jersey. It is, in a way, a subversive organization, whose intent is to subvert bad government and a government of the few, by the few, and for the few. As to "Who is John Galt," I leave that up to others to determine who this very private man is. But he is our leader.

A failed property tax fix instead of a property tax reform? The Farmland Assessment Act of 1964, now 30 years old, was enacted to assist the farmer in maintaining economic solvency by fixing a maximum taxable value for the land that is farmed. Without the Farmland Assessment Act, we would be down to 8300 farms in New Jersey, with farmers barely hanging on. Without the Farmland Assessment Act, most of the farmland would be owned by land speculators and land developers renting out

the land at no cost to farmers, or even paying farmers to farm the land in order to keep their farmland assessment subsidy, while awaiting the appropriate time for developing the land. Without farmland assessment, there would be no incentive to create six- to ten-acre farmettes that even qualify as farms to receive the farmland assessment subsidy. With or without the Farmland Assessment Act, we have achieved the same result, and at what cost and for what purpose?

Two citizens of Upper Freehold questioned illegal farmland assessment in Upper Freehold Township -- Joseph Sarafin and Richard Smith. Other citizens questioned illegal farmland assessment in Millstone Township. Was there illegal farmland assessment? Of course there was. But given any system with the potential for a loophole, it is the constitutional right of citizens to exploit those loopholes until they are closed. Were these citizens subverting a law intended to assist the farmer in staying in business through low property taxes? Is there a need to reexamine farmland assessment as to its implications and achievements?

Are we not innocent until proven guilty, and is being caught doing something illegal not permitted? We are a society of believers in "caveat emptor." The less government we have, the more opportunity we have to rip off our fellow citizens. We speed until we see the police or our radar detector warns us of a speed trap. Isn't it our right to violate the law, at least as long as our violation has no victim or consequences? The law did say five acres tilled and a minimum of \$500 in income to qualify as a farm. We did get a form stating our property was a farm and saying, "Sign here to continue receiving the farmland assessment." All we wanted was a way to afford to live in Upper Freehold Township by not paying the full property taxes on the extra five to nine acres included on our farmette.

Is illegally receiving farmland assessment a victimless crime? First, let us look at the enclosed spreadsheets concerning property taxes in Upper Freehold Township. If there were no farmland assessment and only six- to ten-acre lots in the Township, their land value would be between \$10,000 and \$20,000 an acre. Those five to nine acres with farmland assessment would generate between \$47 and \$85 in property taxes. Without the Farmland Assessment Act, those same five to nine acres would be generating, at a \$10,000 per acre assessment, between \$610 and \$1098 in additional property taxes. At a \$20,000 per acre assessment, they would generate between \$885 and \$1593 in additional property taxes.

Now, let us look at page two of the spreadsheet, far right, under the \$10,000 per acre and \$20,000 per acre columns. The new tax rate without farmland assessment would range between \$1.22 per \$100 and \$.89 per \$100. That is a lot less than the present \$1.878 per \$100 rate. It is a rate reduction between \$.66 per \$100 and \$.99 per \$100. These farmettes would be paying between 51 percent and 64 percent of the tax bill of \$5 million -- \$5,401,858. Under the Farmland Assessment Act, these same property owners only paid 24 percent of the tax bill.

So, are there any victims in this Farmland Assessment Act? At the bottom of page 2, you can see the tax impact on residential properties ranging in values from \$100,000 to \$400,000 through the elimination of farmland assessments. The tax savings on a house and lot valued at \$100,000 are between \$670 and \$1002. For the house and lot valued at \$200,000, the tax savings range from \$1341 to \$2005. For the house and lot valued at \$300,000, the savings are between \$2012 and \$3007. For the house and lot valued at \$400,000, the property tax savings are between \$2683 and \$4010.

Now, compare these amounts to the property taxes that the five- to nine-acre farmettes would be generating at a

\$10,000 per acre assessment of between \$610 and \$1098 in additional property taxes, and at a \$20,000 per acre assessment that would be generating taxes between \$885 and \$1593 in additional property taxes. The residential property with the house and lot valued at \$200,000 has the potential of a reduction in property taxes of between \$1341 and \$2005 if farmland assessment were eliminated and all properties were taxed at fair market value. At the bottom of page 4 in columns under \$10,000 and \$20,000, you will see total savings to residential home owners of between \$1,239,124 and \$1,853,010 in property taxes. Even the farmette owners save between \$407,566 and \$609,153 in property taxes on their houses and acre lots.

Now, we have the figures from a mathematical model of just who the victims are as a result of the Farmland Assessment Act. A \$2005 penalty to a residential property valued at \$200,000 to maintain someone else's nine acres with farmland assessment that generates \$85 in taxes is criminal. This same nine acres at a \$20,000 per acre assessment would cost the owner a maximum of \$1593 in property taxes. The poor fool with a \$400,000 residential assessment is shelling out \$4010 to subsidize the \$85 farmland assessment tax, as well as save that farmette owner a maximum of \$1593 in taxes.

So how do we justify residential properties picking up 30 percent to 46 percent of the total property taxes of \$5,401,858 to support farmland assessment? How do we justify only \$286 million in total ratables, when the actual ratables could range between \$443 million and \$608 million without farmland assessment? We cheat the other municipalities in the county by only paying for half the fair share of the true property value in county taxes. We cheat the other school districts in the State by only claiming half our actual ratables. Worst of all, we cheat our fellow citizens by making them pay a disproportionate amount to subsidize farmland assessment.

The cost of farmland assessment is too high to justify its continued existence. Legally, farmland assessment violates equal protection of the law and is without question unconstitutional. In Upper Freehold, and no doubt in other rural communities, the manipulation of farmland assessment through failure to properly monitor the legality of such assessment is employed by the elected officials to maintain their offices and power. It has become a reverse political contribution where the benefits of farmland assessments are distributed by elected officials to their constituents, and the qualification not enforced by hiring a part-time tax assessor in order not to be able to enforce the requirements for receiving farmland assessment. It has become a developer's dream in having a subsidized investment for future development.

Without a doubt, the Farmland Assessment Act, contrary to its original intent, has been the greatest contributor to rampant development of housing in the State; has been the ultimate bailout for the farmer looking for some way to recoup losses from farming by selling the farmland to a speculator/developer who can afford to speculate on the property because of the low tax; and has been the biggest property tax ripoff of a community's citizens in terms of the residential property owner paying almost double in property taxes, in the case of Upper Freehold Township, to maintain farmland assessment on both legal and illegal farmland assessments.

Farmland assessment has destroyed any notion of fairness and equity in Upper Freehold Township. It has made honest, ethical, God-fearing citizens of Upper Freehold into greedy, dishonest, nasty cheats looking for a way to rip off their neighbors. To make it worse, they have enlisted their neighbors to support their dishonesty. It has corrupted the very democracy that is supposed to allow citizens to question

government practices. We have truly created open and honest graft in Upper Freehold Township.

With the elimination of farmland assessment, a free market will establish the true value of the assessed properties. There will be no incentive for the speculator to buy farmland at a high price and hold the land with subsidized property taxes. Property taxes are the ultimate determinant of a property's value. For example, a tax rate of \$3.36 per \$100 in Hightstown has reduced assessed valuations by as much as 25 percent. No one is going to buy a 200-acre farm at \$5000 per acre for \$1 million with a cost of money at 8 percent, or \$80,000 per year, and a property tax cost of \$75 per acre for another \$15,000, for a total of \$95,000 per year, unless the farm can generate \$475 per acre net just to pay the cost of money and taxes. Of course, 200 acres at farmland assessment tax of \$9.46 per acre generates only \$1880 in taxes. The total of \$80,000 and \$1880 still requires a net of \$409.40 per acre to break even.

The assessment and collection of rollback taxes in the transition from farmland to nonfarm use is a fiasco in Upper Freehold and the rest of the State. It is not being done consistently and fairly. The law is subject to interpretation by the tax assessor, and a recent court decision has totally obfuscated the matter. Rollback taxes should be strictly used to build the infrastructure necessary to support a change of use, but this is not what happens. The elimination of farmland assessment also eliminates the rollback tax collection fiasco, so we see no need for further consideration of this matter.

This Committee should also address a strange phenomena concerning property taxes. Properties that are tax exempt are still assessed and their values placed in the records. Farmland, however, does not receive a true value assessment. It just receives the farmland assessment value. It would greatly help determine the value of farmland assessment

and its associated costs to other taxpayers by knowing the true assessed value of the land, and not just the farmland assessment value.

Farmland Assessment is a 30-year-old perquisite that has lost its value and intent over time. The dissolution of the Act would return some degree of fairness and equity to property taxes. It would end subsidies to land developers and speculators. It would slow development and maintain open space. It would not provide such a great tax impact on small farmers as the supporters of this myth would have us believe. The Farmland Preservation Act could be modified for owners of 10- or less-acre lots to give up any future subdivision possibility, thereby reducing the property value to that of a large lot with a fair market value.

Fixing property tax assessments for a very small privileged group in our State is not the true solution to the real problem of a fair and equitable property tax system for supporting education, which accounts for over half the tax bill. The Farmland Assessment Act was intended to help economically distressed farmers to remain in farming, but has resulted in the economically privileged avoiding paying their fair share of government costs. Property taxes are a regressive form of taxation that has led to a bad fix of a problem that can easily be solved with the cost of education being removed from property taxes and supported by a broad-based income tax. More of the same solutions to the wrong problem will just continue the greed, dishonesty, and cheating associated with the Act.

The farmers are broke. The system is broke. It is time to fix it.

Thank you for your time and interest in these remarks. (negative response from members of audience)

SENATOR SINGER: Please, please, please, ladies and gentlemen.

Are there any questions? Joe?

ASSEMBLYMAN MALONE: No, thank you.

SENATOR SINGER: Thank you very much. We appreciate your coming.

Nancy Hutchison, President, Horse Park of New Jersey. Nancy, I certainly want to thank you very much for your hospitality, and for having us all here in this beautiful Horse Park.

**N A N C Y H U T C H I S O N:** We are pleased that you were able to come and enjoy it.

My name is Nancy Hutchison. I am the volunteer President of this Horse Park. My family has raised Morgan horses for 30 years on small farms in Sussex and Hunterdon Counties. My husband and I are now selling our home in Bergen County to move to beautiful Hunterdon County.

It may appear to some tax assessors and tax collectors that removing property from the farmland assessment rolls would be beneficial to the community. Many of us who live in the two heavily populated counties -- Bergen and Passaic -- can tell you from experience that losing farmland and gaining tax eatables does not necessarily, in the long run, decrease taxes for individual home owners. You can make the taxes on 10 acres or less equal to the tax rate for the highest possible use, which, of course, is homes. This may yield some extra tax dollars for a short run, but the landowner will then decide to apply for a small subdivision on a hardship basis. Judging from appeals made in different states and here in New Jersey, it is very likely that the land may then be subdivided. Where you once had one family and five to ten acres of countryside, you will then have five to ten houses which will result in more septic systems and more demands on the town's services.

Please don't make the remaining New Jersey countryside become wall-to-wall malls and condos. We all need the green.

SENATOR SINGER: Thank you.

Taylor Palmer, Jr. Taylor, do you want to give all your titles for the record?

**T A Y L O R P A L M E R, JR.:** Yes, sir, I sure will.

Good morning, Chairman Singer and members of the Senate Senior Citizens, Veterans Affairs and Agriculture Committee. Thank you for letting me appear before you today. Welcome to the New Jersey Horse Park in Monmouth County, the hub of the horse country.

My name is Taylor Palmer, Jr. I am a member of the State Board of Agriculture, representing the equine industry; also the Equine Advisory Board; and a Director of the Standardbred Breeders' and Owners' Association of New Jersey, a 3000-plus membership horsemen's organization.

Today, I am not speaking specifically for any one of these organizations. I just wanted to mention them so that you would know how deeply involved I am in the horse industry.

I also own and operate a breeding farm in Monmouth County, along with my three sons. We stand a stallion, have mares and yearlings of our own, plus we board outside mares that we ship to other stallions on other farms to get bred. We also sell horses of various ages for our owners, as well as for ourselves.

The horse industry is one of the largest and most important agricultural commodity groups in the State of New Jersey, and also, one of the least understood agricultural groups in the State.

I would like to give you some figures from our last equine survey and state some facts concerning the equine industry:

- \* New Jersey has approximately 60,000 horses.
- \* There are approximately 7100 facilities.
- \* 120,000 acres used for equine-related purposes.
- \* With land valued at approximately \$3.2 billion and a horse value of \$725 million.

\* The estimated gross income sales of horses and stud fees is approximately \$70.5 million.

\* The equine industry-related assets are \$4.1 billion. Horses contribute to the State gross national product over \$600 million annually.

\* The horse industry employs over 10,000 people, which does not include the support staff within its infrastructure.

\* There are five racetracks in New Jersey that attract approximately 6.2 million people annually.

\* The Meadowlands Racetrack, the finest in the country, hosts the prestigious Hambletonian Race for trotters.

\* Our standardbred stallions are ranked some of the best in the country.

\* New Jersey is the first State to establish a nonracing Breeders Awards Program.

\* The New Jersey Sire Stakes Program is one of the best sire stakes programs in the nation, and is worth more than \$12 million.

In addition to the successful standardbred and thoroughbred racing and breeding interests, New Jersey is also the headquarters for the United States Equestrian Team. New Jersey has numerous activities for the 4-H and riding for the handicapped programs, along with this 140-acre Horse Park, where many of these activities take place.

The racetracks are very important to the industry, not only to the racing breeds and Sire Stakes Program, but to all the other breeds as well, because a percentage of the purse money supports the Breeders Awards Program, Equine Advisory Board Programs, and nonracing breeders programs; plus many other programs, including Rutgers University Equine Research and other research programs at the State University.

If I may, I would like to explain, to some degree, how the horse industry works, the different types of farms that it

is composed of, and how they should, without any question, be eligible for farmland assessment.

The three major types of farms are: breeding farms, boarding farms, and training farms. Many farms have at least two operations at one farm.

We must remember that the horse is an agricultural animal, the same as cows, pigs, beef animals, sheep and goats are all agricultural animals.

Horses are bred for many different uses, such as work, racing, pleasure, and show, just to name a few.

1) Breeding Farms: Some breeding farms stand stallions to breed to mares owned by the farm owner and also breed mares that are boarded at that farm but owned by someone else. Those outside owners pay board while their mares are being bred, and will continue to pay if those mares stay on that farm during their gestation period.

That, gentlemen, is definitely income from production agriculture. While those mares are eating grass for those 11 months, that fetus is growing in utero. It is the same as planting grain, corn, soybeans, vegetables, trees, etc., and then waiting for those products to grow and be harvested. After the mare foals, the offsprings grow to be yearlings and then two year olds, and then they are trained or sold for their particular breed's use.

2) Boarding Farms: There are many farms that do not stand stallions. They breed mares to stallions on other farms and bring them back to their farms for the mare's gestation period and foaling.

There are other boarding farms that have horses for show, work, jumping, pleasure, etc.

The money that is paid to these farm owners, where their horses are boarded, is income received from an agricultural product -- production agriculture. These horses are eating grass on pasture. If that same grass was left to

grow and was baled for hay, that land would be eligible for farmland assessment without any question. These farms that board horses should also be eligible for farmland assessment.

3) Training Farms: Like breeding farms, New Jersey has some of the finest training facilities in the country. Standardbred and thoroughbred, the two major racing breeds in the State, are bred, born, and raised to be racehorses. The industry needs these special training farms to properly train these horses for their breed specialty. Many training farms keep breeding stock, mares, and foals on their farm also.

Some of the other breed groups need training farms in order to get their horses ready for shows, riding, jumping, etc.

The income these farm owners receive from keeping these horses is income from getting that agricultural product, the horse, ready for what it was bred for -- production agriculture.

These farms, gentlemen, should qualify for farmland assessment, because that income is from production agriculture.

Gentlemen, the equine industry is of major economic benefit to New Jersey, not only for farmers and the State, but also for all the residents of New Jersey. It has a large labor force. It supports many other New Jersey farmers by purchasing the majority of the hay and straw produced within the State, buying grain from the grain farmers, plus all the other auxiliary businesses that the equine industry financially supports.

Three of the most important things the equine industry does for the State of New Jersey and its residents are: keeping open land, for example, the Horse Park facility the State has provided for the horse industry and its residents; keeping farmland; and, most importantly, keeping farmers on the farmland. Also, without farmland assessment, New Jersey horse farmers cannot be competitive with surrounding states.

Without farmland assessment, the horse industry in New Jersey cannot exist as it is today. Certainly, as I said earlier, the State of New Jersey, farmers, and all New Jersey residents will suffer financially and, most importantly, environmentally, if the New Jersey horse farms do not receive farmland assessment.

There has been some unfair treatment of certain sectors of the equine industry. This has been the result of some tax court decisions that were based on a lack of understanding about the equine industry and how it works. There needs to be some adjustments in the Farmland Assessment Program to provide for the inclusion of these farms to be eligible for farmland assessment.

Gentlemen, I want to again thank you for letting me testify before your Committee today. If you have any questions, please feel free.

SENATOR SINGER: Thank you.

Any questions, Joe?

ASSEMBLYMAN MALONE: No, thank you.

SENATOR SINGER: Harold Lindenmann.

**H A R O L D L I N D E N M A N N:** My name is Harold Lindenmann. I have been a real estate broker in Monmouth County -- this is my 44th year. My dad had horses, cows, and chickens out in Wisconsin. I was brought up in farm country, so when I went into the real estate business, I figured I would concentrate on land and farms, which I did. I have sold many farms. I have gotten out to most of the farms in the county, and I have seen the problems the farmers have.

One of my first sales was to a farmer who planted sweet corn, way back in the '50s. That year, it turned out that you could buy a dozen ears of corn in the supermarket for 25 cents. It did not pay him to take the corn to the market. He had to buy new baskets, and the price of the baskets would be more than he would get from the corn.

I have seen farmers leave fields of cabbage go to rot, because it would not pay them to take it to the Bronx market. I saw a farmer who had his strawberries ripen. He called the Freehold Unemployment Office and asked them to send three men over. He got no men.

Farmers contend with frost, drought, flood, rain. One farmer had beans. The field was so wet he couldn't get the bean-picking machinery on it. He said, "Go out and pick as many as you want."

I hope your Committee will consider all the different problems the farmers have, and not raise the taxes. If you raise the taxes, you will only drive them off the farms. We will cease to be the "Garden State."

The farmland assessment plan, I believe from what I have seen, has worked out well. If the little inconsistencies that have existed are straightened out, I think the farmland assessment plan will be great for New Jersey.

The 4-H Club, when you see the seven- and ten-acre little places where a boy or girl has some animals to care for -- lambs, goats, cows, horses -- they are close to the earth. There is something about those boys and girls that sets them a little apart from the average, I think. It helps to develop character. So if you increase the minimum to \$2500, as has been suggested for a five-acre parcel, I think it will kill all those little five-acre parcels and it will practically ruin the 4-H Club. Getting the boys and girls close to the farmland is something you cannot buy in the drug store.

There is another solution to this problem; that is, to eliminate the property tax. The State of Michigan has done so. I called the Governor's Office yesterday, and a man told me that when they took the vote, the vote was 70 percent in favor of eliminating the tax, and 30 percent against it. I said, "How have you worked it to get the money to offset the money you lost from the property tax?" He said, "They raised

the sales tax from 4 percent to 6 percent. They raised the cigarette tax 50 cents. And they instituted a real estate transfer tax.

Now, we already have a real estate transfer tax in New Jersey, but he also said that part of the, I believe, industry -- big factories, or something like that -- retained their tax. But they could also, in addition to increasing the sales tax, increase the income tax, which would be fair.

I did a paper in Wisconsin once a week; I was born and raised out there. Lo and behold, I read an article where a man heard that a farmer had a big farm; he lost money on the farm every year, but his property tax was \$22,000. This man said, "This doesn't seem right." So he started a campaign in Wisconsin in papers, letters to editors, and things like that. Now the legislature is considering eliminating the property tax in Wisconsin. I think the property tax is a thing of the horse and buggy era, and it must go.

Have you ever been to a sheriff's sale to see somebody's farm or home sold? I went once just to see what happened. An elderly couple stood at the bar. The sheriff was there. He put the gavel down and said, "Well, we are ready to sell this farm, lot so and so, lot so and so." Who is willing to bid on it? There was silence. The sheriff said to the couple -- tears were coming out of their eyes, and I think they were coming out of mine, too -- "Are you ready to buy the farm?" They said, "We have no money." There was more silence. Then the sheriff said, "Is anyone willing to bid on this farm?" An Equitable Insurance man said, "I will bid a dollar over the cost of the sale, the taxes, and the mortgage."

The gavel went down, and the farm was sold. Now that couple had to go out and rent something, so they were put in a worse position than when they owned the farm. I hope you can see what I am driving at. When you see these long lists of tax

sales in the different papers, as I have watched them, my heart goes out to those people for what they have to go through.

There is a tremendous cost to running property taxes. You have all the clerks in the different offices. You have the reassessment, and a gentleman said-- In this community, I think it was over a million dollars for the reassessment. You have the assessors' salaries. You have the legal fees. There is a tremendous saving to be accomplished. That is why the people in Michigan went 70 percent, compared to 30 percent, in favor of eliminating the property taxes.

The farmers have the weather, labor, and other things to contend with -- and the market. Actually, they are almost running a casino on their farms, with the gambles they have to take. You have all seen the problems they have had with floods, droughts, weather of all types. Even labor-- The help gets drunk on the weekend and doesn't show up on Monday when the crop is ready to be harvested. The problems farmers have are terrific. I think that if you raise the tax on the farmers to any great extent whatsoever, I think you are going to drive the farmers off the farms.

Thank you very much.

SENATOR SINGER: Thank you, sir.

Jill Yeno.

J I L L Y E N O: Good morning.

SENATOR SINGER: Good morning.

MS. YENO: My name is Jill Yeno. I represent the New Jersey Professional Horsemen's Association, and I represent them on the Equine Advisory Board.

I was born in New Jersey. I did not live in this State all my life, but I have been back in the State for at least 12 years participating in the horse industry in this State.

My input today is to agree with you on the fact that I really think the Farmland Act needs to be reworded, and the

loopholes taken out of it, so there is less interpretation left in the Act altogether. If you get rid of the interpretation problems, then you get rid of the tax assessors' problem.

I participate in lots of horse shows. We run our horse shows by rules. When there is a discrepancy, you go to the rule book and you say, "This is what it says.:" If you get rid of the loopholes, you get rid of the interpretation problems, you get rid of the tax problems, you get rid of people appealing, so it saves a lot of money all around.

I don't think there is any question that the open land is-- Everybody has given you all the information on that, on why it is valuable; the fact that the tax base on that and the use of tax dollars for open land is not necessary. You save a lot of money. I think one gentleman said \$.33 per acre of tax dollars is used on open land, where \$1.12 of tax money is used on residential and developed land. That, in itself, tells you why farmland assessment is important. If you get rid of farmland assessment, you get rid of that value.

I raise horses. I run the Colts Neck Equestrian Center in Colts Neck. I probably have one of the most "successful"-- I don't know what successful means. In fact, we have a lot of business. We board horses; we breed horses; we train a lot of horses. A lot of people know who I am in the horse industry. Successful? If you talk about money, then I am not very successful. I think on my gross revenue my profit margin is less than 5 percent, which I don't think, in anybody's book, is considered very successful financially. In other respects, we are very successful, in that we have horses that show, ride, train; are healthy; get nonbreeders' awards.

I think the horse industry definitely needs to have representation and should be applicable for farmland assessment. If the bill is rewritten and more clarified, I think that might be something that would be advantageous to the horse industry.

Thank you.

New Jersey State Library

SENATOR SINGER: Thank you.

Ray Kalainikas.

**R A Y K A L A I N I K A S:** I cannot speak as a farmer. I was born in Elizabeth, New Jersey, down at the Port. I had a two-family house in back; a two-family house to the right of me; a two-family house to the left of me; and there was a roadway in front with a bakery across the street.

What I would like to ask with regard to altering the Farmland Assessment Act-- As I listened and as I read concerning the business of five acres and whether or not you are entitled to farmland assessment-- I would like it changed whereby if an individual has six acres -- six contiguous acres, at least -- one contiguous acre for the homestead, or for home industry, and five acres for agrarian use, a total of six contiguous acres-- If an individual simply leaves the five acres for agrarian use fallow, to be used at some time, or if the individual decides to use it, the individual should still be allowed farmland assessment, whether the individual uses the five acres or not, as long as it is left for agrarian use.

Let me give you my reasoning: I am not speaking about 10 acres, or 20 acres, or 30 acres. That is a different situation. The healthiest people on the globe are known to be the Huensegots (phonetic spelling), or the Huensa people, as they are commonly referred to. Another term is the "apricot people." We are not talking about the yogurt people. The apricot people live at the northern tip of India, now Pakistan, in the Himalayas. They do not use pesticides or herbicides on their land. When a couple is ready and they marry, they are given five acres to live off of.

I guess what I'm saying is, a family needs five acres to survive off the land. I think universally we have recognized that. I guess my reasons for my request come down to two: It is the natural right of a human being to live off the land to survive. If you live in Westfield and you step out

your door, you cannot do that. If you live in Newark or Camden and step out your door, you cannot do that. Eventually, we are going to elucidate land use rights in our society where the smallest property size is six contiguous acres, with five for agrarian use and one for the homestead and home industry. We have not come to that point yet, but this is a first step.

I guess the second point I want to make -- and I think Bob has mentioned it -- is, for the sake of the environment, if we are going to protect the environment, and, of course, if we are going to protect the mental and physical health of the human being, we cannot live too close together. When we live too close together, it is mentally not healthy; it is physically not healthy; and it is destructive to the environment.

In New Jersey, per square mile, we have more people than per square mile in India. Where are we going? I am a salesman. I travel in Central New Jersey. Within the last 10 to 15 years, I have seen the traffic double and triple, to the point where there is no rural road any longer. You cannot drive casually. You drive in a combat position, it seems, most of the time. It is not healthy, gentlemen, the way in which it is going.

I see constant building, more and more building, and I say, "Why?" I guess what I am saying is-- Also, another point. I just want to pass this along to you: Somewhere down the line, we are going to have to stop asking the taxpayer to pay to preserve farmland. Somewhere down the line, the Legislature is going to have to say to developers with large tracts of land, and to farmers who would like to make a killing, "You can sell your land, or develop your land, but only in six-acre tracts; with one contiguous acre used for the homestead, and the other five acres for agrarian use." Whether the individual uses it immediately or not does not matter. It must be left for future generations. The finest apple orchards

in the country were in Newark, New Jersey. Imagine that! In Newark, New Jersey, at one time, we had the finest apple orchards in the country. You're probably lucky if you can find an apple tree in Newark today.

That is the way it has been going. I guess this meeting is an indication that there is something wrong. There is something wrong when we worry about whether an individual having five acres is planting, or using it for agrarian use. We are looking for a way to tax them even more.

I happen to agree with Harold Lindenmann. We should not have a property tax. Bob, you know by now that I am opposed to all taxation. I view taxation as legal theft, in and of itself. The only proper way to run government is payment for services rendered and accepted in voluntary cooperation, similar to a volunteer first aid or a voluntary fire company. But we have not come to that point yet.

I am just asking for this one point, one change in the Farmland Assessment Act. If an individual has a six-acre tract, which is commonly referred to as a farmette -- and I see them outside of Allentown by the winery -- that individual, as long as he or she resides 80 percent of the time -- and they must live there-- They must live there at least 80 percent of the time. Even if they do not use the five acres by selling, say, \$500 worth of produce, or something of that nature, they still get farmland assessment for the sake of all of us. For the sake of all of us, for the sake of the environment, for the sake of our physical and mental health, we cannot continue to bunch and bunch and bunch as we are doing in the State of New Jersey. It is not healthy.

Thank you.

SENATOR SINGER: Thank you.

Stanley Panco, Executive Director, Thoroughbred Breeders' Association. Stanley, I am sorry I kept you

waiting. My sheet did not have you listed. I don't know what happened. They gave me the wrong sheet.

**S T A N L E Y P A N C O:** Good morning. Thank you for this opportunity. Many of the things I had planned to say have been said by previous speakers, but there are a couple of areas I would like to address which have not been addressed yet.

As Executive Director of the Thoroughbred Breeders' Association, I occasionally get calls from our members who have had their farmland assessment denied. As a result, on many occasions I was able to call the tax assessor in the municipality and explain the uniqueness of our industry. In many cases, the tax assessor has changed his mind and stipulated that it was eligible for farmland assessment, and that saved the taxpayer the expense of going before the tax board.

On other occasions, I have talked to tax assessors. Evidently, some of these fellows are on a mission to increase ratables in their municipalities, and would not listen at all. As a result, the taxpayer had to go to the county tax board, and, in most cases, they were successful in proving their case before the county tax board.

On one occasion, after the taxpayer won his appeal before the county tax board, the tax assessor, on his own, had the municipal solicitor appeal it to the court. After the taxpayer went to the expense of hiring attorneys and experts, he won the case again in the court. That judge wanted to know how the case ever got before his court. When he found out that it was initiated by the tax assessor, he read the riot act to the town solicitor, because he felt that that was only the duty of the municipal governing body to appeal that. It wasn't the jurisdiction of the municipal tax assessor.

As a result, I think there is a lot of education required to bring the municipal tax people up-to-date and aware of our industry. Our industry, as has been pointed out

earlier, has changed over the years. Years ago -- I would say in 1985 and 1986 -- we could sell winglings and yearlings and show a profit. But with the change in the Federal tax laws, the market dried up for young horses, and many of our horses had to be developed into racehorses. As a result, we had to build and maintain training centers to get these horses fit for the racetrack, which is our ultimate market. On some occasions, the tax assessors felt that a training track was not necessary to develop our agricultural product. I think that is an area that -- and it has already been spoken about -- has to be addressed.

I had a very interesting thing happen the other day. About, maybe, two weeks ago, a young lady called and wanted to know if we ever had any racehorses that couldn't make it at the racetrack. I said, "Yes, occasionally I have people who will call and want to know if I can find a home for a horse." Lo and behold, within a couple of days, I had a call from Monmouth Park Racetrack from a lady who had a gelding that could no longer perform at the track, and she wanted to know if I could find a home for it.

So I went to the track. Well, first I called the young lady and told her I had a horse. She was very happy. I loaded the horse up and took it to a boarding farm where she had made arrangements to keep this horse. When I unloaded that horse, you would think it was Christmas in June, this young lady and her mother were so happy. This boarding farm was under farmland assessment, so as a result of this the young lady was able to maintain that horse there at a reasonable rate.

I feel if we don't give boarding farms permitted agricultural use under the Farmland Assessment Act and clarify that, in some towns the boarding facilities will dry up, and as a result these young people who get so much out of raising horses, learning responsibility, and who are staying off the streets, will have no place to maintain their pleasure horses.

Over the years, many riding academies had to close because of excess insurance premiums. Liability became prohibitive for a lot of riding academies, so young people do not have the opportunities they used to, to learn to ride. I think that even though we produce basically horses for the racetracks, we also end up with some horses who do more for society than just create a betting tool. As a result of this facility here, many of our ex-racehorses afford a lot of pleasure to young people. I think the equine industry has to be addressed when you consider changing the Farmland Assessment Act.

I thank you.

SENATOR SINGER: Thank you. We appreciate it very much.

I am now going to call one of the few people in Ocean County who is not related to Mel Cottrell: Bill Fox, Ocean County Board of Agriculture.

**W I L L I A M F O X:** Thank you, Senator Singer. I may not be a blood relative of Mel Cottrell's, but I like to think he is part of our family. I thank you for hosting this hearing today.

It is interesting to hear people's comments. I think basically the system we have-- The real estate tax, whether it is right or wrong, is the system we have. The Farmland Assessment Program was created for specific reasons for the benefits that have been talked about earlier.

Primarily, people have been talking about uniformity in enforcement of the Act, and uniform and equitable taxes -- fair and equitable. They talk about the tax breaks, which I think is a big irony in and of itself. It seems to me that the people who don't pay their own way are the people in single-family dwellings who have kids in school. They just don't cover the costs of operating their own households.

From my point of view, I fully support the Farmland Assessment Act. I think there are a few bugs -- which everybody has recognized -- that need to be worked out, but certainly the intent of the Farmland Assessment Act is the same today, and the benefits are the same today as when it was originally created. I just urge that the Farmland Assessment Program be continued.

Thank you.

SENATOR SINGER: Thank you.

Bruce Stearns, New Jersey Sire Stakes Program. Good morning, Bruce.

**B R U C E   S T E A R N S:** Good morning.

Members of the Committee, ladies and gentlemen: My name is Bruce Stearns. I am the Executive Director of the New Jersey Sire Stakes Program, which is operated by the New Jersey Department of Agriculture to promote the breeding and raising of standardbreds in New Jersey by offering several series of races for New Jersey sired horses.

The New Jersey Sire Stakes' Board of Trustees has asked me to appear today in support of the expansion of the Farmland Assessment Program as it affects the standardbred industry. The Sire Stakes Racing Program alone has a total value of over \$11.4 million, and is only one segment of New Jersey's billion-dollar standardbred industry, which depends upon the availability of farmland for raising horses and feed, as well as training and boarding.

The fine standardbred stallions that stand in New Jersey attracted over 2000 mares from other states and from Canada, which were sent to New Jersey to be bred in 1993. The total of 2830 mares which were bred in New Jersey to New Jersey registered stallions last year resulted in over \$22 million in stud fees. The farms that stand these stallions rely on farmland assessment to make their operations viable in this heavily populated State.

The standardbred industry has played a vital role in preserving open space throughout the State. At the time of the last equine survey in 1988, it was determined that there were 16,000 standardbreds out of a total of 60,000 equines in New Jersey at that time. These standardbreds were valued at a total of \$360 million. It was also determined that there were 120,000 acres devoted to equine-related purposes, and the value of the 30,000 acres devoted to the standardbred facilities was valued at over \$800 million.

The Sire Stakes Board would urge this Committee to keep the Farmland Assessment Program viable in this difficult economic climate for all of agriculture. New Jersey currently has the finest standardbred breeding industry not only in the country, gentlemen, but in the world. A favorable agricultural climate is vital to its success.

As one aside, I might point out that the million-dollar Meadowlands Pace will be contested Saturday night at the Meadowlands -- the finest three-year-old pacers in the country. As we speak, they are having a luncheon to draw the post positions for these 10 fine horses. I would like to point out that nine of them are by New Jersey sires, which is, I think, an indication of the importance of our industry.

We appreciate the opportunity to speak with you today and the receptiveness to what we are saying. Thank you.

SENATOR SINGER: Thank you.

Don Kosul, Assessors' Association of New Jersey.

**D O N A L D K O S U L:** Good morning, Mr. Chairman and members of the Committee. My name is Don Kosul. I am an assessor here in the State of New Jersey. I am also the Chairman of the Farmland Assessors' Committee.

I sat in the audience here this morning and I heard a lot of discussions -- a lot of issues talked about concerning farmland. One of the issues I heard spoken about was how farmland, in particular the horse industry, is changing; how

the practices and the ways of the farmer are changing now as compared to what they were years ago. I thought about that, and I also associate that with the municipal assessors. The profession of the assessors is also changing, as well as the industry.

I think the key word is "mobility." You heard about the-- We keep hearing today that we are an upwardly mobile society. Mobility is a big issue in today's society, and it has changed. Well, it has also changed the assessors' function. If you look at an assessor who may have been practicing up in northern New Jersey, his prime concern, at one time, were co-ops, industrial properties, and multi-family apartment buildings. Now, for the past four, five, or six years, he hasn't even delved into the farmland issue, so he knows little about it, and all of a sudden he has to start making decisions on farmland.

So, where is his decision making going to come from? Well, he has to get education. We need some kind of a strong educational background basis for the assessor to go to for training. I think it was in early 1992 or 1993 -- I am not sure which year it was -- that the Assessors' Education Fund was one of the victims of the budget cuts from the State. So now at a time when the assessors need education the most because of more dynamic issues than ever, they have little resources to draw from. Education is probably at the lowest point it has been in years.

You know, with mobility-- You might have had assessors who started in one municipality and retired from that municipality. It is not that way today. The assessors are moving around because -- for whatever reason. So they are also in need of constant education for the particular areas they are moving to, and that education is just not available right now.

Another thing I would like to allude to that I heard mentioned is the fact that the assessors' function is to raise

ratables. I strongly disagree with that in principle. The assessor is out there to create equity and promote and interpret the statutes of New Jersey and the Constitution of New Jersey. Now, if there is no clear and definitive guidelines for them to draw from, then they have to make decisions based on, you know, whatever resources they can come up with. Needless to say, farmland, as I interpret it, is full of gray areas and full of areas where there is no clear and definitive answer. Decisions are made probably in tax courts more than anywhere else, and the assessor has to live by those decisions. They may not be the right decisions, but they have no choice but to live by whatever decisions are made by tax case law. That is what they abide by.

With that, I have finished the comments I wanted to make this morning. I thank you for the opportunity to sit here before you.

SENATOR SINGER: Thank you.

ASSEMBLYMAN COTTRELL: Are there any questions before he leaves?

SENATOR SINGER: Just one thing, Don. You certainly know we are not attacking assessors who want to work to streamline their way of doing business. It certainly is difficult for a lot of them. I think there are a lot of part-time assessors in the State. As a matter of fact, most of the small towns have part-time assessors.

MR. KOSUL: Yes, part-time assessors is a very big issue. But also I think education is a bigger issue than part-time assessors. We have assessors who are embroiled in a lot of activities in farming but, quite frankly, that is one thing that probably gets the least attention right now, and it deserves a lot because of the dynamic changes in the industry.

SENATOR SINGER: Thank you.

MR. KOSUL: You're welcome.

SENATOR SINGER: Chester George.

C H E S T E R   G E O R G E: Thank you, Senator Singer.

Gentlemen: I am Chester George. I am Chairman of an ad hoc committee that was formed about a year ago entitled, "Committee for Truth in Farmland Assessment." My comments this morning, although based on input from our membership, are largely my own, so this is not, strictly speaking, a formal presentation from that group.

Our Committee membership started out about a year ago with about 25 people -- 25 farms actually. It has grown to over 100 farms, and we have input now from a number of towns: Freehold, Trenton, Toms River. So we are growing, and we have had a lot of positive feedback and comments from many other organizations.

There were a lot of things said this morning, and I just want to emphasize about 10 points:

I think it is important that we recognize the need for small farms. Problems with large farms, I think we can all acknowledge quickly, but our biggest problem during the past year in Upper Freehold was with the small farms. We all recognize that farming as a way of life is disappearing for farmers, but I think we should recognize-- In my case, for example, there are thousands of bikers who go down my road every day. There are hunters; there are all kinds of activities -- Christmas tree cutting. They pick their own activity. But all citizens benefit from farming. That has been said time and again, but I want to emphasize that point.

An item from last year about what happened in Upper Freehold is largely the reason our Committee was formed, because of the actions of the Division of Taxation. I think I want to emphasize that the financial and emotional burden of what was unleashed here in Upper Freehold placed a lot of people-- I have heard from many, many people who were very disturbed by what happened. Again -- and it was stated before

-- people were treated like criminals. That was completely wrong, what was done last year.

The press continues to use, and many people continue to use the words "preferential taxation" for farmland assessment. That is not the case. It is not preferential taxation. We should strike those words from our vocabulary. It is fair taxation. We all know -- and it has been stated here time and again -- that I, along with every other small farmer, or large farmer, pay our fair share of taxes on our own residences. The farmland is actually subsidizing the home owner, because of the school tax situation in the State of New Jersey. Farmland is subsidizing every home owner in New Jersey at this point in time.

A couple of other key points I wanted to make-- An item which I think might be considered, is that if farmland is denied -- farmland assessment -- we should give it a two-year grace period to allow them to achieve compliance. Again, the logic there being that most people aren't criminals. They may have made a mistake or they may have done something wrong, so give them time to correct that.

A key point is to shift the burden of proof from the taxpayer to the State, so that arbitrary denials cannot be made without reviewing records. We have been told time and time again, "You always have the appeal process. You can simply appeal." That was done in Upper Freehold without proper review or proper discussion with the farmers who were denied.

One thing that came up about a week ago at our meeting from our tax assessor, and I want to make this point specific to clarify that income requirements are based on potential-- It was stated that with the current interpretation as of a seminar held by the tax assessors this year, that horse breeding is not going to be based on potential. In other words, if somebody has one mare and they sell one foal every two years, or every three years, and meet their income

requirement, that does not-- They cannot qualify for farmland assessment based on that. So I think we need to clarify that.

One item that has caused a lot of concern is that the tax assessors, when they came-- The State inspector, at least, did not schedule an audit with the taxpayer. I think the law should make provision, particularly when there are reinspections involved or controversy involved, to schedule those audits with the taxpayer, so the taxpayer has a chance to show him his operation.

The last item I want to mention is that the County Tax Board should not take action based on limited information and hearsay, which is the case in Upper Freehold Township. That is more of an administrative type thing.

Thank you, Mr. Chairman.

SENATOR SINGER: Thank you.

Richard Osborn.

**R I C H A R D O S B O R N:** Thank you, Senator and Committee members.

I am a part-time farmer with a full-time job in farming, because I only have a part-time income with that. I am also a licensed real estate consultant and broker. I agree with most of what everyone has said so far this morning, and I do not want to belabor it. What I would like to do is agree that we need to clarify the Act and get rid of the gray areas. I would like to make a couple of suggestions along that line, if I might, that would make things a little bit clearer both for the assessors and the local property owners, from what I have seen in my experience as a farmer and as a real estate broker over the years.

One of the things that was suggested was that you have to look at soil conditions for property in order to raise a good crop on it. In 90 percent of the cases, this is true. However, if you have a greenhouse, your greenhouse happens to be on five acres of ground, but only actually occupies an acre

or so of that ground, the soils that go into that greenhouse can totally come from some other area. It is not really relevant as to the soil types that are on that property.

I think this should be clarified, because in some cases, with modern technology, they are also working-- Agricultural products as greenhouses are being grown hydrophytically where no soils are used today. So I think we have to keep in mind modern trends of agriculture as things are going on and improvements are made. Maybe some sort of a review of this particular process should go on every five years or so, so that as technology comes ahead and times change-- The farmer today may not be the same farmer that he is five years from now.

Another issue I have looked at several times is wetlands or meadowlands. The farmer who has 100 acres of ground and has 20 acres of meadows or wetlands is not necessarily denied farmland assessment, but the farmer who has five acres of ground with one acre of wetlands or meadowlands is denied, because his one acre is not tillable. If you take and consider the same wetlands, there might be a 90 percent wetlands property in the Pinelands where cranberries are grown. That farmer would qualify with those wetlands. The law is not consistent on how you look at those particular issues. Again, that is another issue of looking at soil types on a farm. It may not be relevant throughout the entire State.

The other thing we want to look at is the land under the farm buildings. There was a case not too many years ago that identified that the land under the farm buildings-- If you have a dairy farm, the land under that is still agriculture, even though many of the assessors are not looking at it that way. They are looking at it based on the fact that it is a buildable property or land that would be the same as residential property.

Farmers that go in and appeal the process will get the benefit of being able to have that part of their property under farmland assessment also, but those who do not appeal-- The assessors are not changing it based on a court case. They are waiting for the appeals to come in. The same issue is true when you look at driveways for access to farmland, roadways, if you will. When I plant my pumpkins on the farm, I have to have access in order to spray throughout. I can't spray across a 50-acre field. I need roadways, because my sprayer just doesn't go that far when my vines are across the property.

The same thing is true when you go to market your products -- when you market your vegetables. Many of the farmers have roadside stands. Whether you have a roadside stand to market your vegetables or you have someone come in to haul your truckload of soybeans away, you are still marketing your product, and you need an area for your roadside customers to park. That area, should that be considered farmland? I believe it should, because it is part of the marketing of the product. So I think these things have to be looked at also.

Another issue which I agree with Mr. Lindenmann on is the children today. When you look at the 4-H members and the FFA members, they can't go out and purchase large tracts of land or even get started with their own family if they are not inheriting the property somewhere. I think you have to have these smaller tracts of property available so these people can go ahead with their farming potential, because the future of farming in the Garden State is our children today. I know in Allentown, our FFA is a very active group of young people. They are always getting involved. I can look around and see many of the people who were FFA and 4-H members in the past, that I went to school with when I was younger. Today, they are the farmers who are working around the State.

Another issue I looked at and considered -- and there has been a little bit of talk about it, but not directly -- is

in relation to the income on the property. When we are looking at farmland, we are not looking at income. I wish we were. What we are looking at is the predominant use of the ground. Is the ground being used agriculturally, or are we looking for income? If you can take a correlation and say, "In our particular municipality of Upper Freehold, we have an ordinance that allows owner-occupied businesses," where part of the home you are using is less than 50 percent used for a home owner's occupation -- maybe a professional office, or someone working out of their house in a mail order type thing, or whatever it is -- their home is still assessed as a home, not as an occupation. Even though they might be making millions of dollars on that occupation, their income does not relate to what the tax assessment is on that.

The same thing should be true with agriculture. If I have a breeding farm and I am making 45 percent of my income on my breeding stock, and I also happen to have one single racehorse that happened to make me 55 percent -- or maybe one year 105 percent of my income -- the predominant use on my farm is still breeding, and should be allowed to be used on that basis.

The same thing again with relation to soils, wetlands, and things like that. I think consideration ought to be on the tax assessment as a block and lot, not acreage on a property, because there are so many other potential uses on a property. It is difficult to identify some of the different soil types based on acreage, when block and lot assessment on a property should really be what the consideration is on a property.

The other thing is exotic animals. Some people look at llamas, Vietnamese pot-bellied pigs, and things like that. They are all a part of agriculture, and I think they ought to be considered also. I mean, if you can have a llama farm down in Burlington County but can't raise horses in Upper Freehold, there is something there that is not quite right.

The other two or three comments I would like to make are about something you mentioned earlier on, Senator. You mentioned about having a survey for properties, to be able to identify that they are going to be able to have a grain use or tillable use on their property, and having the farmer pay for the survey -- or having the farmer pay for inspections. You have heard many people testify today that many of the farmers are already having problems paying their taxes as they exist, making money at all to be able to pay for their food and things.

I think this particular issue of having them required to pay for a survey, or pay for fees for inspections, is another cost that makes them noncompetitive in the world market, which many of us have to deal with today; and makes the New Jersey farmer noncompetitive in his own backyard as well, when dealing with people across the river in Pennsylvania, Delaware, and New York, who do not have these requirements. I think, if you would, sir, please reconsider that idea. I don't think it would help us to keep the Garden State green.

One comment I wanted to make which was brought up before is, I disagree with 99 percent of what one of the previous speakers identified. The numbers he presented to you on your survey are incorrect -- the numbers that he spoke about as far as values in Upper Freehold Township, \$10,000 to \$20,000 an acre for farmland. It does not exist in Upper Freehold Township today.

However, the one thing I do agree with is the fact that property taxes should not relate to school taxes. It is not a good thing, as Mr. Lindenmann said, to see someone go to a tax sale and see his house going, just because he can't afford to pay the property taxes. The whole structure of property taxes in the State of New Jersey should be changed to either a broad-based income tax or some other form of taxation that does not put the regulation and the requirements of full payment on the home owners, if you will, of the State of New

Jersey, whether they be residential home owners in a condo, or someone who has a 200- or 300-acre farm.

Thank you for your time.

SENATOR SINGER: Just one correction. I said we said "new farm uses, not existing," for the survey.

MR. OSBORN: Yes.

SENATOR SINGER: And I think you would solve a lot of problems. In other words, if you had farmland assessment right now, you would be grandfathered in. But for new people applying, it would require the survey.

MR. OSBORN: I understand that.

SENATOR SINGER: By the way, if you buy anything new, you have to get a survey anyway.

MR. OSBORN: Not on a farm. It is not required on a farm. That may be required by a mortgage company, but it is not required by the farm.

SENATOR SINGER: True, but I don't know anybody who buys something without either a bank or a mortgage company today.

MR. OSBORN: Well, the other thought on that is, if a property has not been farmed, has not been qualified as farmland-- Today, for example, the appeals we are going through in Upper Freehold Township, if you change the rules and regulations to the people who may be turned down on appeals within the next week or so-- Would they be allowed to be put back on the rolls immediately if the law changes, or would they have to go through that process?

SENATOR SINGER: Do you mean if they are starting all over again?

MR. OSBORN: No. They have not changed the use at all. They are continuing to farm. You can be a farmer without having farmland assessment. If they continue to farm, they say they continue to farm, but they happen to be turned down on appeals because they have a "training farm" as opposed to a

breeding farm, do they have to go through the process of having a survey done, or will they be allowed to get back onto the rolls immediately?

SENATOR SINGER: Well, if they had an existing one, they would have to go out for the assessment.

MR. OSBORN: So the people who would be turned down today but may be allowed on the new regulations which you are possibly considering would have to go through that process of a survey and everything, even if they already owned a farm?

I respectfully disagree with that.

SENATOR SINGER: Okay. I have a big problem with the wheel.

MR. OSBORN: I understand.

Thank you very much for your time.

SENATOR SINGER: Thank you.

Joseph Buzio, Bozio. I hope I haven't pronounced that wrong.

**J O S E P H B U Z I O:** That's all right, either way is good.

Good afternoon, members of the Committee. I really had no intention of speaking. I thought that was just a sign-up form.

I just moved down here in January. I bought a 15-acre farm. It is zoned agricultural, but has long ago lost its farm assessment, I think having to wait for two years, as you said. When I first heard it, I agreed. You don't fight city hall. I am from New York.

SENATOR SINGER: The western part of New York, right?

MR. BUZIO: Well, that is where my heart lies.

However, this open space breeds a healthy community. I know what congested communities breed. I lived in a very congested area, and I work in the New York State courts. I certainly see what happens to people who live in a congested environment.

So, please, think about the rest of your community before you give it up to land developers.

Oh, I have one more thing: There seems to be a conflict of interest on your tax commission board. You have a lawyer, a real estate broker, and a developer. It doesn't sound as though those people want to keep open space.

Thank you very much.

SENATOR SINGER: Thank you.

Robert Goff? Is Robert Goff here, from New Egypt.

(no response)

UNIDENTIFIED SPEAKER FROM AUDIENCE: He left.

SENATOR SINGER: He left? Okay. Robert Wallace? (no response) Bruce Daniels?

B R U C E G. D A N I E L S: I, too, thought the form I signed was just a registration form. However, I do have something to bring up.

SENATOR SINGER: Well, you are the next to the last person.

MR. DANIELS: Okay, fine.

I am past President of the American Furrier Association. I am current President of the State Furrier Association. I am a landowner who has land in forestry; I also have farmland assessment, so I have a combination of interests in horses and open spaces. I want to see open spaces continue.

We feel we have a unique approach toward conserving world spaces; therefore, we have composed this letter. It says:

"Dear Senator Singer," and includes the rest of the Committee:

"The horsemen and women of my township welcome and applaud your efforts to amend the farmland assessment requirements. We have developed a unique proposal that could benefit both horse owners and nonfarming landowners at no cost to the municipality. In fact, it would create revenue for local municipalities and the State.

'South Harrison Township is located in the southwestern section of Gloucester County. We are on the edge of progressive urban development -- we are about to be taken over -- and it has caused great concern for those who wish to preserve a few islands of open spaces. Ours is a residential/agricultural community with a high horse density.

"Our alert horse owners were recently able to influence our local governing body to alter the municipal code to be more horse ownership friendly.

"We envision going beyond minimum land use for horse ownership to create a bridal path through our township. A revision in the farmland assessment requirement may be the most powerful tool to achieve that goal. Our proposal could benefit not only large horse farms, but all the horsemen and women of New Jersey who would enjoy such a facility, and would greatly increase support for legislative revision.

"Currently, one must show gain from agricultural endeavors to qualify for a modified tax rate. Our proposal would meet that criterion. We propose:

"That land dedicated to the riding trail be qualified for farmland assessment." I should say portions of the land, which is in disagreement with the last speaker.

"That the trail be restricted to horse, horse-drawn vehicles, and hikers exclusively.

"That those using the trail display a permit similar to horse tags available from the township. This permit shall be a 'hold harmless agreement.' Its cost shall include a liability policy and can produce revenue for the township. It may be issued on a daily, annual, or resident basis. The revenue derived should offset the loss of tax ratables.

"That the trail be built and maintained by volunteers and appropriate public grants," some of which we have looked at already.

"These trails may prove to be a valuable tool for the preservation of the rural character of many New Jersey communities for generations to come. They could utilize some of the land designated as wetlands and help in the pursuit of saving open spaces. A redefinition of the farm assessment requirements would greatly assist this proposal."

Thank you, and I am closing.

SENATOR SINGER: Thank you.

Did Joan want to testify, or is she just signed up?

J O A N C O U G H L I N: I just signed up, but I feel sure that I couldn't add anything.

SENATOR SINGER: Okay.

First of all, let me say that we will be scheduling a meeting in July in Trenton to again solicit testimony concerning farmland assessment. I presume that by the early fall, September or October, we will have a report out with, if need be, enabling legislation, but we will be working with the Taxation Bureau on this. It is important to do that.

I want to thank the Horse Park for hosting us today. I certainly want to thank the Mayor, and Assemblymen Cottrell and Malone for sharing the podium with me. I appreciate it very, very much.

Mr. Lindenmann, do you have one more statement you want to make before we leave?

MR. LINDENMANN: Yes, a very short one.

We need a little poetry in this. Way back in England someone wrote -- I have forgotten his name:

"Ill fares the land to hastening hills of prey,  
Where wealth accumulates and men decay  
Princes and lords may flourish or may fade  
But the bold peasantry when once destroyed  
cannot be displayed."

SENATOR SINGER: Thank you.

I certainly want to thank everyone for their input. It is very, very important to us.

Again, if you have written testimony, or comments you want to submit to us, you may certainly do so. And you will certainly have the opportunity to be heard again at our meeting in July, as well as the fact that there will be more hearings once legislation is forthcoming. Hopefully, we will have legislation to correct some of the problems. We will be having one of the hearings out here again to give you the opportunity to let Trenton come closer to you.

So I want to thank you. We appreciate your time.

**(HEARING CONCLUDED)**

**APPENDIX**





168 WEST STATE ST., TRENTON, NEW JERSEY, 08608 TEL. (609) 393-7163  
FAX (609) 599-1209

July 12, 1994

**TESTIMONY ON THE FARMLAND ASSESSMENT ACT  
TO THE SENATE SENIOR CITIZENS, VETERANS AFFAIRS  
AND AGRICULTURE COMMITTEE**

Good morning. My name is Peter Furey, executive director of New Jersey Farm Bureau. I will be presenting some overview remarks on behalf of our organization today inasmuch as our president, Steve George, has a prior commitment in Washington and most everyone else is very busy with their work on the farm at this time of year.

Farm Bureau and its constituent county units represent the farmers in the state. We act as a representative spokesperson on public policy issues and serve as a clearinghouse for farmer opinion. There is a well-structured policy making and information distribution system in place that we maintain and use to assist all levels of government on agricultural policy. Farmland assessment is certainly one of the issues that we consider to be extremely important to farmers in the state.

There can be no question that the farmland assessment program has had a huge, beneficial impact for farming and the retention of open space throughout the state. New Jersey agriculture is a \$750 million wholesale market value industry practised on nearly 1 million acres. Despite problems with marginal profitability, the industry contributes greatly to the economy and rural amenities of the state. It has some very interesting potential for even greater contributions as we head into the 21st century. State policies need to be supportive of the industry if we are to achieve that potential in a fast-changing world.

Farm Bureau supports this committee's initiative in reviewing the program. Much of the public commentary in recent months has not been objective, nor has it been complete. We welcome the opportunity to represent production agriculture during this review, provide some historical perspective, and otherwise play a constructive role in this review process.

Allow us, please, to make a series of observations on the program as it stands now.

- let's remind ourselves about the basic purpose of the program: to provide an incentive for owners of farmland to keep it in open space. It is not a zoning mechanism to regulate development. It does not guarantee farmers a profitable income. And, it is not automatically conferred upon anyone. Rather, it is a municipally-administered property tax incentive program run in accordance with state regulations to help preserve open space.

- this program must be recognized and reviewed in the context of production agriculture. We understand that there are lots of peripheral issues that attract attention to the program like Gov. Whitman's farm qualification. Regardless of this type of attention, we encourage the committee to keep the reality of farming in New Jersey as the central issue during this review while exploring whatever other issues are raised.

- if we had to choose either one of the following, we would say that most of the concerns about the program arise from the administration of farmland assessment rather than the core standards and criteria. This comment is directed mostly at the role of the municipal tax assessor. Even though there are some standards that need to be changed to eliminate some vagueness of the rules, we believe vigorous enforcement by assessors familiar with agriculture can eliminate much of what is being questioned about farmland assessment.

- much has been said during the past year, by the news media and some elected officials, that "abuses" of the Act currently exist. It should be pointed out that no landowner can get preferential tax treatment under the Farmland Assessment Act without the signed approval of an application by the municipal tax assessor. The assessor is under oath and charged by law to properly and legitimately administer the Farmland Assessment Act in accordance with the law, official rules and regulations, and pertinent court decisions interpreting various aspects of the Act. Thus, the assessor is supposed to know the law, and if he or she properly executes his or her responsibilities, no application will be approved that does not fully meet the requirements for qualification under the Act.

- taking a closer look at the assessors' role, there are two characteristics that warrant review: part-time status and need for education. Many taxing districts employ part-time assessors. Such assessors often do not have enough time to carry out the duties of their office. Many of them do an excellent job, but are simply understaffed. Governing bodies who underfund the assessor's office may not realize the resulting effect on tax revenues.

Regarding education, there are many new assessors who are replacing those with experience in agriculture and the farmland assessment program. What effort is being made to educate them? Who is responsible - the Division of Taxation or the county tax boards? The assessor's handbook on farmland assessment is a good start, but there ought to be a mechanism established for achieving a good working knowledge of the Act and its rules by the assessors who have farmland in their tax district.

- when reviewing both the criteria and the administration of the Act, most people confine their remarks to the original terms of the program (i.e., 5 acres, \$500 gross sales, 2 years of active devotion prior to qualification, etc., etc.). Very little is said about court decisions, which in effect dictate how the Act should be administered in various situations. There are more than 150 cases and decisions on record, all of which have a direct bearing on the uniform administration of the Act. In general, these cases have made the program more rather than less restrictive. Any legislative review of farmland assessment should include a formal analysis of these opinions and how they are implemented by assessors before drawing any final conclusions about the present status of the program.

- we support a change in the program to grant qualification for more of the horse industry. Currently, only equine breeders can qualify. There are other farms that board horses, as well as raise hay or pasture, who cannot qualify, but should. You will hear directly from this commodity group about this.

- with regard to forestry, the 1987 change (Chapter 201) requiring "woodland management plans" for wholly-wooded tracts was a successful improvement to the program. There are some unique conditions with regard to forestry income that argue against any further changes here.

- farmland enrolled in the farmland assessment program is a positive tax ratable for a municipality's tax base. In other words, more taxes are paid on farmland than the amount of money required to pay for municipal services in support of that farmland. A definitive study on this point was prepared in the mid-1980's by a former tax assessor. That study needs to be updated with current tax numbers for a New Jersey municipality. We are confident that it will show that farmland assessed property more than pays its way in terms of the local tax base. Furthermore, it should be noted that on average New Jersey farmland requires three times the national average in property taxes. Also, the non-farm public should recognize that a farmer pays full taxes on all farm buildings, the farmer's home and the land underneath the farmer's residence. Some farmers believe that they are paying inflated taxes on their farm buildings as municipal assessors attempt to recoup revenues from the reduced tax assessment on the farmland.

- While there is strong support for the program in the farm community, there are a few points that are frequently cited by farmers and are worthy of attention. Among them are:

- sometimes excessive or arbitrary requirements for documentation by assessors to support the income figures on the FA-1 application forms;
- requirements for separate FA-1 applications for each individual parcel being farmed, rather than allowing a combined farm application for multiple parcels under the control of the same farmer;
- difficulties in establishing "anticipated farm income" in the event of a crop failure beyond the control on an individual farmer;
- tax shift to farm buildings when farm structures are assessed at unrealistically high values (e.g., pole barns, fences, others);
- absence of a response following the submission of a FA-1 application on August 1 leaving little or no time for the filing of an appeal in the event of a disagreement between the assessor and landowner;
- incompatibilities between farmland assessment requirements and the federal farm programs operated by the USDA;
- absence of a FEAC (Farmland Evaluation Advisory Committee) value for pasture land;
- land under most roadside farm markets when they are created on ground previously cropped should be kept in farmland assessment;
- similarly, cropland that becomes the site for windrow composting or another type of staging ground for adding organic material to farmland ought not to lose its farmland assessment status;
- and the general lack of knowledge among the non-farm public that prices for farm commodities have lagged if not deflated during the past thirty years of the program's existence.

#

Farm Land Value/Acre

\$500/ Acre	\$1,000/ Acre	\$2,000/Acre	\$3,000/Acre	\$4,000/Acre	\$5,000/Acre
500	1,000	2,000	3,000	4,000	5,000
Qualified Farmland Ratable Value and projected values at per Acre values shown					
8,263,590	16,527,180	33,054,360	49,581,540	66,108,720	82,635,900
Residential					
184,746,206	184,746,206	184,746,206	184,746,206	184,746,206	184,746,206
Farm Regular, House And Lot					
60,765,720	60,765,720	60,765,720	60,765,720	60,765,720	60,765,720
Other Ratable Values					
31,883,794	31,883,794	31,883,794	31,883,794	31,883,794	31,883,794
Total ratable value					
285,659,310	293,922,900	310,450,080	326,977,260	343,504,440	360,031,620

% of Prop Tax paid by qualified farmland at per acre values shown

2.89%	5.62%	10.65%	15.16%	19.25%	22.95%
% Farm Regular of Total Ratables					
21.27%	20.67%	19.57%	18.58%	17.69%	16.88%
% Total by Farmland and Farm Regular					
24.16%	26.30%	30.22%	33.75%	36.94%	39.83%
% Other ratables					
11.16%	10.85%	10.27%	9.75%	9.28%	8.86%
% Residential of total ratables					
64.67%	62.86%	59.51%	56.50%	53.78%	51.31%

Taxes to be raised= \$5,401,858

Tax Rate based on series of Farm Acre values as well as Qualified Farmland Assessment

0.01891	0.01838	0.01740	0.01652	0.01573	0.01500
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Tax Rate/\$100 of ratables

1.891	1.838	1.740	1.652	1.573	1.500
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Tax \$/ Acre

9.46	18.38	34.80	49.56	62.90	75.02
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Tax Rate / \$1,000 of ratables

18.910	18.378	17.400	16.521	15.726	15.004
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Tax on house and lot valued at \$100,000

1,891.01	1,837.85	1,740.01	1,652.06	1,572.57	1,500.38
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Difference	53.17	151.01	238.95	318.44	390.63
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Tax on house and lot valued at \$200,000

3,782.03	3,675.70	3,480.02	3,304.12	3,145.15	3,000.77
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Difference	106.33	302.01	477.91	636.88	781.26
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Tax on house and lot valued at \$300,000

5,673.04	5,513.55	5,220.03	4,956.18	4,717.72	4,501.15
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Difference	159.50	453.02	716.86	955.32	1,171.89
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Tax on house and lot valued at \$400,000

7,564.06	7,351.39	6,960.03	6,608.24	6,290.29	6,001.54
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Difference	212.66	604.02	955.82	1,273.76	1,562.52
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Farm Land Value/Acre

\$6,000/Acre	\$7,000/Acre	\$8,000/Acre	\$9,000/Acre	\$10,000/Acre	\$15,000/Acre	\$20,000/Acre
6,000	7,000	8,000	9,000	10,000	15,000	20,000

Qualified Farmland Ratable Value and projected values at per Acre values shown

99,163,080	115,690,260	132,217,440	148,744,620	165,271,800	247,907,700	330,543,600
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Residential

184,746,206	184,746,206	184,746,206	184,746,206	184,746,206	184,746,206	184,746,206
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Farm Regular, House And Lot

60,765,720	60,765,720	60,765,720	60,765,720	60,765,720	60,765,720	60,765,720
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Other Ratable Values

31,883,794	31,883,794	31,883,794	31,883,794	31,883,794	31,883,794	31,883,794
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Total ratable value

376,558,800	393,085,980	409,613,160	426,140,340	442,667,520	525,303,420	607,939,320
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% of Prop Tax paid by qualified farmland at per acre values shown

26.33%	29.43%	32.28%	34.91%	37.34%	47.19%	54.37%
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% Farm Regular of Total Ratables

16.14%	15.46%	14.83%	14.26%	13.73%	11.57%	10.00%
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% Total by Farmland and Farm Regular

42.47%	44.89%	47.11%	49.16%	51.06%	58.76%	64.37%
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% Other ratables

8.47%	8.11%	7.78%	7.48%	7.20%	6.07%	5.24%
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% Residential of total ratables

49.06%	47.00%	45.10%	43.35%	41.73%	35.17%	30.39%
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Taxes to be raised= \$5,401,858

Tax Rate based on series of Farm Acre values as well as Qualified Farmland Assessment

0.01435	0.01374	0.01319	0.01268	0.01220	0.01028	0.00889
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Tax Rate/\$100 of ratables

1.435	1.374	1.319	1.268	1.220	1.028	0.889
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Tax \$/ Acre

86.07	96.20	105.50	114.09	122.03	154.25	177.71
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Tax Rate / \$1,000 of ratables

14.345	13.742	13.188	12.676	12.203	10.283	8.886
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Tax on house and lot valued at \$100,000

1,434.53	1,374.22	1,318.77	1,267.62	1,220.30	1,028.33	888.55
456.48	516.80	572.24	623.39	670.72	862.68	1,002.46

Tax on house and lot valued at \$200,000

2,869.06	2,748.44	2,637.54	2,535.25	2,440.59	2,056.66	1,777.10
912.96	1,033.59	1,144.49	1,246.78	1,341.43	1,725.37	2,004.92

Tax on house and lot valued at \$300,000

4,303.60	4,122.65	3,956.31	3,802.87	3,660.89	3,084.99	2,665.66
1,369.45	1,550.39	1,716.73	1,870.17	2,012.15	2,588.05	3,007.39

Tax on house and lot valued at \$400,000

5,738.13	5,496.87	5,275.08	5,070.50	4,881.19	4,113.32	3,554.21
1,825.93	2,067.18	2,288.97	2,493.56	2,682.87	3,450.73	4,009.85

Farm Land Value/Acre

\$500/ Acre    \$1,000/ Acre    \$2,000/Acre    \$3,000/Acre    \$4,000/Acre    \$5,000/Acre

% of Prop Tax paid by Qualified Farmland at per acre values shown

	2.89%	5.62%	10.65%	15.16%	19.25%	22.95%
	156,265.66	303,744.55	575,148.70	819,116.41	1,039,607.87	1,239,856.09
\$ Increase	147,478.89	418,883.04	662,850.75	883,342.21	1,083,590.44	

% Farm Regular of Total Ratables

	21.27%	20.67%	19.57%	18.58%	17.69%	16.88%
	1,149,088.37	1,116,781.95	1,057,328.74	1,003,885.69	955,585.29	911,719.34
\$ Decrease	-32,306.41	-91,759.63	-145,202.68	-193,503.08	-237,369.03	

% Total by Farmland and Farm Regular

	24.16%	26.30%	30.22%	33.75%	36.94%	39.83%
	1,305,354.03	1,420,526.51	1,632,477.43	1,823,002.09	1,995,193.16	2,151,575.43
\$ Increase	115,172.48	327,123.41	517,648.07	689,839.13	846,221.41	

% Other ratables

	11.16%	10.85%	10.27%	9.75%	9.28%	8.86%
	602,927.06	585,975.87	554,780.75	526,739.16	501,395.93	478,379.45
\$ Decrease	-16,951.19	-48,146.31	-76,187.90	-101,531.13	-124,547.61	

% Residential of total ratables

	64.67%	62.86%	59.51%	56.50%	53.78%	51.31%
	3,493,576.91	3,395,355.62	3,214,599.82	3,052,116.75	2,905,268.91	2,771,903.12
\$ Decrease	-98,221.29	-278,977.10	-441,460.17	-588,308.00	-721,673.79	

6x

Farm Land Value/Acre

\$6,000/Acre \$7,000/Acre \$8,000/Acre \$9,000/Acre \$10,000/Acre \$15,000/Acre \$20,000/Acre

% of Prop Tax paid by qualified farmland at per acre values shown

	26.33%	29.43%	32.28%	34.91%	37.34%	47.19%	54.37%
	1,422,526.51	1,589,836.29	1,743,644.75	1,885,522.77	2,016,806.64	2,549,311.77	2,937,052.32
	1,266,260.86	1,433,570.63	1,587,379.09	1,729,257.12	1,860,540.99	2,393,046.12	2,780,786.66

% Farm Regular of Total Ratables

	16.14%	15.46%	14.83%	14.26%	13.73%	11.57%	10.00%
	871,703.94	835,053.42	801,360.46	770,280.96	741,522.19	624,872.75	539,935.12
	-277,384.43	-314,034.95	-347,727.91	-378,807.41	-407,566.18	-524,215.62	-609,153.25

% Total by Farmland and Farm Regular

	42.47%	44.89%	47.11%	49.16%	51.06%	58.76%	64.37%
	2,294,230.46	2,424,889.71	2,545,005.21	2,655,803.73	2,758,328.84	3,174,184.52	3,476,987.44
	988,876.43	1,119,535.68	1,239,651.18	1,350,449.71	1,452,974.81	1,868,830.49	2,171,633.42

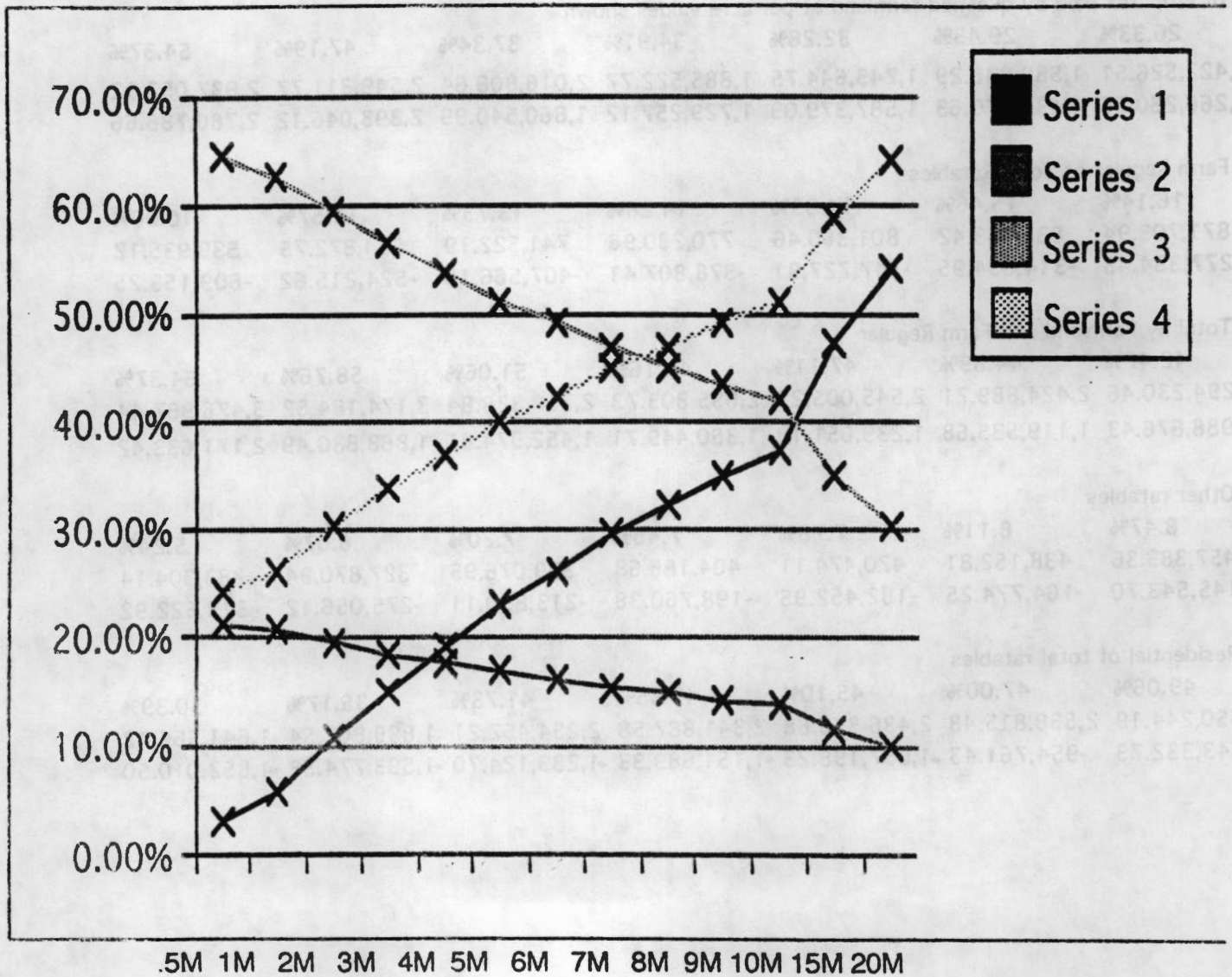
% Other ratables

	8.47%	8.11%	7.78%	7.48%	7.20%	6.07%	5.24%
	457,383.36	438,152.81	420,474.11	404,166.68	389,076.95	327,870.94	283,304.14
	-145,543.70	-164,774.25	-182,452.95	-198,760.38	-213,850.11	-275,056.12	-319,622.92

% Residential of total ratables

	49.06%	47.00%	45.10%	43.35%	41.73%	35.17%	30.39%
	1,650,244.19	2,538,815.48	2,436,378.68	2,341,887.58	2,254,452.21	1,899,802.54	1,641,566.42
	-843,332.73	-954,761.43	-1,057,198.23	-1,151,689.33	-1,239,124.70	-1,593,774.38	-1,852,010.50

2x



- Series 1: % Property Tax paid by Qualified Farmland at per Acre values shown.
- Series 2: % Farm Regular of Total Ratables.
- Series 3: % Total of Farmland and Farm Regular.
- Series 4: % Residential of Total Ratables