

CHAPTER 385

AN ACT concerning the State's land preservation programs, amending P.L.1999, c.152 and P.L.2016, c.12, supplementing Title 13 of the Revised Statutes, and making an appropriation.

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

1. a. Commencing no later than six months after the effective date of this section, the executive director of the Garden State Preservation Trust established pursuant to section 4 of P.L.1999, c.152 (C.13:8C-4) shall perform, or cause to be performed, a comprehensive audit of the programs and accounts overseen by the trust, including the Green Acres program, Blue Acres program, farmland preservation program, and historic property preservation program. The audit shall provide a formal accounting of the programs overseen by the trust, identify any inefficiencies in the programs, and recommend a reallocation of funds where appropriate.

b. The Department of Environmental Protection, State Agriculture Development Committee, Department of Community Affairs, and all other State agencies shall cooperate fully with, and supply any requested information to, the Garden State Preservation Trust and any entities contracted thereby in implementing the provisions of this section.

c. The Garden State Preservation Trust shall provide the audit report produced pursuant to subsection a. of this section to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), and shall publish the report on the trust's Internet website.

2. Section 37 of P.L.1999, c.152 (C.13:8C-37) is amended to read as follows:

C.13:8C-37 Use of funds appropriated for farmland preservation.

37. a. Moneys appropriated from the Garden State Farmland Preservation Trust Fund to the State Agriculture Development Committee for farmland preservation purposes shall be used by the committee to:

(1) provide grants to local government units to pay up to 80 percent of the cost of acquisition of development easements on farmland, plus administrative expenses, and to qualifying tax-exempt nonprofit organizations to pay up to 50 percent of the cost of acquisition of development easements on farmland as provided in section 39 of P.L.1999, c.152 (C.13:8C-39), or to provide grants to local government units or qualifying tax-exempt nonprofit organizations to pay up to 80 percent of the cost of acquisition of development easements on woodlands, as provided in section 1 of P.L.2025, c.287 (C.4:1C-37a), plus administrative expenses. Any funds received for the transfer of a development easement shall be dedicated to the future purchase of development easements on farmland, and the State's pro-rata share of any such funds shall be deposited in the Garden State Farmland Preservation Trust Fund to be used for the purposes of that fund, provided that the terms of any such development easement to be acquired by a qualifying tax-exempt nonprofit organization shall be approved by the committee;

(2) provide grants to local government units to pay up to 80 percent of the cost of acquisition of fee simple titles to farmland from willing sellers only, plus administrative expenses, and to qualifying tax-exempt nonprofit organizations to pay up to 50 percent of the cost of acquisition of fee simple titles to farmland from willing sellers only as provided in section 39 of P.L.1999, c.152 (C.13:8C-39), plus administrative expenses, which shall be offered for resale or lease with agricultural deed restrictions, as determined by the committee. Any proceeds received from a resale shall be dedicated for farmland preservation purposes, and the State's pro-rata share of any such proceeds shall be deposited in the Garden State Farmland Preservation Trust Fund to be used for the purposes of that fund;

(3) pay the cost of acquisition by the State of development easements on farmland, or on woodlands, as provided in section 1 of P.L.2025, c.287 (C.4:1C-37a), provided that any funds received for the transfer of a development easement shall be deposited in the Garden State Farmland Preservation Trust Fund to be used for the purposes of that fund; and

(4) pay the cost of acquisition by the State of fee simple titles to farmland from willing sellers only, which shall be offered for resale or lease with agricultural deed restrictions, as determined by the committee, and any proceeds received from a resale or lease shall be deposited in the Garden State Farmland Preservation Trust Fund to be used for the purposes of that fund.

b. Moneys appropriated from the fund may be used to match grants, contributions, donations, or reimbursements from federal aid programs or from other public or private sources established for the same or similar purposes as the fund.

c. As used in this section, “administrative expenses” means the labor costs, not to exceed three percent of the value of the development easement or fee simple title, as applicable, of the property, incurred by a local government unit or qualifying tax-exempt nonprofit organization in organizing, negotiating, and administering the purchase of a development easement or fee simple title on farmland, including, but not limited to, outreach to potential program participants, negotiating with landowners, site visits, and document preparation, as such labor costs are reported to, and confirmed applicable and reasonable by, the State Agriculture Development Committee. This subsection shall not be construed to limit the authority of the committee to provide for the costs of acquisition pursuant to subsection a. of this section.

3. Section 39 of P.L.1999, c.152 (C.13:8C-39) is amended to read as follows:

C.13:8C-39 Grant to qualifying tax-exempt nonprofit organization for farmland.

39. a. The committee may provide a grant to a qualifying tax-exempt nonprofit organization for up to 50 percent of the cost of acquisition of (1) a development easement on farmland, provided that the terms of any such development easement shall be approved by the committee; or (2) fee simple title to farmland, which shall be offered for resale or lease with an agricultural deed restriction, as determined by the committee, plus administrative expenses. Any proceeds received from a resale shall be dedicated for farmland preservation purposes, and the State’s pro-rata share of any such proceeds shall be deposited in the Garden State Farmland Preservation Trust Fund to be used for the purposes of that fund.

b. The value of a development easement or fee simple title shall be established by two appraisals conducted on each parcel and certified by the committee. The appraisals shall be conducted by independent professional appraisers selected by the qualifying tax-exempt nonprofit organization and approved by the committee from among members of recognized organizations of real estate appraisers.

c. The appraisals shall determine the fair market value of the fee simple title to the parcel, as well as the fair market value of the parcel for agricultural purposes. The difference between the two values shall represent an appraisal of the value of the parcel for nonagricultural purposes, which shall be the value of the development easement.

d. Any grant provided to a qualifying tax-exempt nonprofit organization pursuant to this section shall not exceed 50 percent of the appraised value of the development easement, or of the fee simple title in the case of fee simple acquisitions, plus administrative expenses.

e. The appraisals conducted pursuant to this section or the fair market value of land restricted to agricultural use shall not be used to increase the assessment and taxation of

agricultural land pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.).

f. To qualify to receive a grant pursuant to this section, the applicant shall:

(1) demonstrate that it has the resources to match the grant requested; and

(2) in the case of the acquisition of a development easement, agree not to convey the development easement except to the federal government, the State, a local government unit, or another qualifying tax-exempt nonprofit organization, for farmland preservation purposes.

g. (1) In deciding whether to award a grant to a qualifying tax-exempt nonprofit organization pursuant to this section, the committee may also include as additional factors for consideration the presence of a historic building or structure on the land and the willingness of the landowner to preserve that building or structure, but only if the committee first adopts, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations implementing this subsection. The committee may, by rule or regulation adopted pursuant to the “Administrative Procedure Act,” assign any such weight it deems appropriate to be given to these factors.

(2) For the purposes of this subsection: “historic building or structure,” in the context of the grant program for qualifying tax-exempt nonprofit organizations to acquire development easements on farmland for farmland preservation purposes, means the same as that term is defined pursuant to subsection c. of section 2 of P.L.2001, c.405 (C.13:8C-40.2); and “historic building or structure,” in the context of the grant program for qualifying tax-exempt nonprofit organizations to acquire fee simple titles to farmland for farmland preservation purposes, means the same as that term is defined pursuant to subsection c. of section 1 of P.L.2001, c.405 (C.13:8C-40.1).

h. As used in this section, “administrative expenses” means the same as the term is defined in section 37 of P.L.1999, 152 (C.13:8C-37).

4. Section 8 of P.L.2016, c.12 (C.13:8C-50) is amended to read as follows:

C.13:8C-50 "Preserve New Jersey Farmland Preservation Fund," rules, regulations.

8. a. The State Treasurer shall establish a fund to be known as the “Preserve New Jersey Farmland Preservation Fund” and shall deposit all moneys received pursuant to paragraph (3) of subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47), paragraph (2) of subsection a. of section 1 of P.L.2019, c.136 (C.13:8C-47.1), and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

b. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 37 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2) of this subsection.

(2) Of the moneys deposited into the Preserve New Jersey Farmland Preservation Fund: (a) in State fiscal year 2017 through and including State fiscal year 2019, up to three percent shall be allocated by the committee on an annual basis for stewardship activities; and (b) commencing in State fiscal year 2020 and annually thereafter, up to four percent shall be allocated by the committee on an annual basis for stewardship activities.

(3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-43 et seq.) to the contrary, stewardship activities undertaken on farmland on which (a) the pinelands development credits have been acquired pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.), and the pinelands comprehensive management plan adopted pursuant thereto, or the development rights have been acquired pursuant to a transfer of development rights program for the Highlands Region established pursuant to section 13 of P.L.2004, c.120 (C.13:20-13), and (b) there is deed restriction approved by the committee, shall be eligible for funding pursuant to paragraph (2) of this subsection.

c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Farmland Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152 (C.13:8C-23).

d. (1) Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

(2) Moneys that have been allocated to a local government unit from the fund, which are not specifically committed to an active transaction 18 months after the date on which they were allocated to the local government unit, shall be returned to the fund. The provisions of this paragraph shall not apply to instances where the purchase of a property or development easement is undergoing legal review.

e. Notwithstanding the provisions of section 24 of P.L.1983, c.32 (C.4:1C-31) or section 38 of P.L.1999, c.152 (C.13:8C-38), or any rule or regulation adopted pursuant thereto, to the contrary, when the committee, a local government unit, or a qualifying tax-exempt nonprofit organization seeks to acquire a development easement on, or fee simple title to, farmland using, in whole or in part, moneys deposited into the Preserve New Jersey Farmland Preservation Fund, the Garden State Farmland Preservation Trust Fund established pursuant to section 20 of P.L.1999, c.152 (C.13:8C-20), or any other State moneys provided for farmland preservation purposes, the value of the development easement, or fee simple title, as applicable, shall be determined by the following:

(1) the procedure set forth in section 24 of P.L.1983, c.32 (C.4:1C-31);

(2) a value determined in accordance with a formula, to be known as the "Statewide Farmland Preservation Formula," which formula is established by rule or regulation adopted by the committee, pursuant to subsection f. of this section, and includes:

(a) conducting or analyzing a sufficient number of fair market value appraisals of agricultural lands within the municipality in which the land is located, or the surrounding market area, or both, as the committee deems appropriate to determine the value of the land for farmland preservation;

(b) considering farmland and development easement values in counties and municipalities reasonably contiguous to, but outside of, the municipality in which the land to be acquired is located, which, in the sole opinion of the committee, constitute reasonable farmland and development easement values for the purposes of this subsection;

(c) considering the importance of preserving agricultural lands in the municipality and county in which the land is located;

(d) considering the status and value of natural resources in the municipality and county in which the land is located, and in counties and municipalities that are reasonably contiguous to, but outside of, the municipality and county in which the land is located;

(e) considering such other relevant factors as may be necessary to increase participation in the farmland preservation program by owners of agricultural lands located in the municipality and county in which the land is located, including, but not limited to, the rate of inflation, the quality of the agricultural soils, the size of the agricultural lands to be acquired, and the risk of conversion of the land from productive agriculture to nonagricultural use; and

(f) providing additional value for the proximity of agricultural lands located adjacent to preserved agricultural lands, lands preserved for recreation and conservation purposes, aquifer recharge areas, lands subject to development or conservation easements, and lands whose conversion to nonagricultural use would lead to conflicting land uses, including, but not limited to, utility and roadway rights-of-way, military bases, and airports and associated airspace; and, if applicable,

(3) (a) in the case of property located in the pinelands area, whenever the value of a development easement on farmland to be acquired is determined based upon the value of any pinelands development credits allocated to the parcel pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.) and the pinelands comprehensive management plan adopted pursuant thereto, the value determined by the committee pursuant to subsection e. of section 38 of P.L.1999, c.152 (C.13:8C-38); or

(b) in the case of property located in the Highlands Region, the value determined pursuant to subsection j. of section 38 of P.L.1999, c.152 (C.13:8C-38).

The landowner shall be provided with the values determined pursuant to paragraphs (1) and (2) of this subsection, and if applicable, the value determined pursuant to paragraph (3) of this subsection. The higher of the values shall be utilized by the committee, a local government unit, or a qualifying tax-exempt nonprofit organization as the basis for negotiation with the landowner with respect to the acquisition price. A landowner may waive any of the requirements of this subsection and may agree to sell the lands for less than the values determined pursuant to this subsection.

f. Notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the committee shall, immediately upon filing proper notice with the Office of Administrative Law, adopt rules and regulations to establish the “Statewide Farmland Preservation Formula” required pursuant to paragraph (2) of subsection e. of this section. The rules and regulations adopted pursuant to this subsection shall be in effect for a period not to exceed three years after the date of the filing. These rules and regulations shall thereafter be adopted, amended, or readopted by the committee in accordance with the requirements of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

5. There is appropriated from the General Fund to the Garden State Preservation Trust the sum of \$150,000 in order to implement the provisions of section 1 of this act.

6. This act shall take effect immediately.

Approved January 20, 2026.