

Bill and Sponsors Statement identical to A856

COMMITTEE STATEMENT:

ASSEMBLY: No

2000(Environ't)

SENATE: Yes 5-4-

A856

Identical to Assembly Agriculture Statement for

11-29-2001(Budget)

FLOOR AMENDMENT STATEMENTS:

No

LEGISLATIVE FISCAL ESTIMATE:

Yes

Identical to fiscal estimate for A856

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

No

FOLLOWING WERE PRINTED:

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ASSEMBLY, No. 856

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Exempts Palisades Interstate Park Commission land dedicated to recreation and conservation purposes from "roll-back" taxes.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A856 BAGGER

2

1 AN ACT concerning farmland assessment, and amending P.L.1999,
2 c.152 and P.L.1964, c.48.

3

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

6

7 1. Section 29 of P.L.1999, c.152 (C.13:8C-29) is amended to read
8 as follows:

9 29. a. (1) (a) To the end that municipalities may not suffer a loss
10 of taxes by reason of the acquisition and ownership by the State of
11 lands in fee simple for recreation and conservation purposes, or the
12 acquisition and ownership by qualifying tax exempt nonprofit
13 organizations of lands in fee simple for recreation and conservation
14 purposes that become certified exempt from property taxes pursuant
15 to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using
16 constitutionally dedicated moneys in whole or in part, the State shall
17 pay annually on October 1 to each municipality in which lands are so
18 acquired and owned, for a period of 13 years following an acquisition
19 the following amounts: in the first year a sum of money equal to the
20 tax last assessed and last paid by the taxpayer upon this land and the
21 improvements thereon for the taxable year immediately prior to the
22 time of its acquisition and thereafter the following percentages of the
23 amount paid in the first year: second year, 92%; third year, 84%;
24 fourth year, 76%; fifth year, 68%; sixth year, 60%; seventh year, 52%;
25 eighth year, 44%; ninth year, 36%; 10th year, 28%; 11th year, 20%;
26 12th year, 12%; 13th year, 4%.

27 (b) Notwithstanding the provisions of subparagraph (a) of this
28 paragraph to the contrary, any payment made pursuant to that
29 subparagraph shall be not less than the amount that would be paid as
30 provided pursuant to paragraph (2) of this subsection.

31 (2) After the 13th year, or sooner as provided pursuant to
32 subparagraph (b) of paragraph (1) of this subsection, the State shall
33 pay annually on October 1 to each municipality in which lands are so
34 acquired and owned the following amounts: \$2 per acre of lands so
35 acquired and owned for any municipality for which all lands owned in
36 fee simple by the State or by a qualifying tax exempt nonprofit
37 organization for recreation and conservation purposes constitute less
38 than 20% of the total land area of the municipality; \$5 per acre of
39 lands so acquired and owned for any municipality for which all lands
40 owned in fee simple by the State or by a qualifying tax exempt
41 nonprofit organization for recreation and conservation purposes
42 constitute at least 20% but less than 40% of the total land area of the
43 municipality; \$10 per acre of lands so acquired and owned for any

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

A856 BAGGER

1 municipality for which all lands owned in fee simple by the State or by
2 a qualifying tax exempt nonprofit organization for recreation and
3 conservation purposes constitute at least 40% but less than 60% of the
4 total land area of the municipality; and \$20 per acre of lands so
5 acquired and owned for any municipality for which all lands owned in
6 fee simple by the State or by a qualifying tax exempt nonprofit
7 organization for recreation and conservation purposes constitute at
8 least 60% of the total land area of the municipality.

9 b. In the event that land acquired by the State, a local government
10 unit, [or] a qualifying tax exempt nonprofit organization , or the
11 Palisades Interstate Park Commission for recreation and conservation
12 purposes was assessed at an agricultural and horticultural use
13 valuation in accordance with provisions of the "Farmland Assessment
14 Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at the time of its
15 acquisition by the State, local government unit, [or] qualifying tax
16 exempt nonprofit organization , or the Palisades Interstate Park
17 Commission, no roll-back tax pursuant to section 8 of P.L.1964, c.48
18 (C.54:4-23.8) shall be imposed as to this land nor shall this roll-back
19 tax be applicable in determining the annual payments to be made
20 pursuant to subsection a. of this section by the State to the
21 municipality in which this land is located.

22 c. Any payments made by the State pursuant to this section shall
23 be paid from the General Fund but not from constitutionally dedicated
24 moneys.

25 d. All sums of money received by the respective municipalities as
26 compensation for loss of tax revenue pursuant to this section shall be
27 applied to the same purposes as is the tax revenue from the assessment
28 and collection of taxes on real property of these municipalities, and to
29 accomplish this end the sums shall be apportioned in the same manner
30 as the general tax rate of the municipality for the tax year preceding
31 the year of receipt.

32 e. For the purposes of this section, lands owned in fee simple by
33 the State for recreation and conservation purposes shall mean State
34 parks and forests, as defined pursuant to section 3 of P.L.1983, c.324
35 (C.13:1L-3), State wildlife management areas, and any other lands
36 owned in fee simple by the State and administered by the Department
37 of Environmental Protection for recreation and conservation purposes.
38 (cf: P.L.1999, c.52, s.29)

39

40 2. Section 8 of P.L.1964, c.48 (C.54:4-23.8) is amended to read as
41 follows:

42 8. When land which is in agricultural or horticultural use and is
43 being valued, assessed and taxed under the provisions of P.L.1964,
44 c.48 (C.54:4-23.1 et seq.), is applied to a use other than agricultural
45 or horticultural, it shall be subject to additional taxes, hereinafter
46 referred to as roll-back taxes, in an amount equal to the difference, if

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1 any, between the taxes paid or payable on the basis of the valuation
2 and the assessment authorized hereunder and the taxes that would
3 have been paid or payable had the land been valued, assessed and
4 taxed as other land in the taxing district, in the current tax year (the
5 year of change in use) and in such of the two tax years immediately
6 preceding, in which the land was valued, assessed and taxed as herein
7 provided.

8 If the tax year in which a change in use of the land occurs, the land
9 was not valued, assessed and taxed under P.L.1964, c.48 (C.54:4-23.1
10 et seq.), then such land shall be subject to roll-back taxes for such of
11 the two tax years, immediately preceding, in which the land was
12 valued, assessed and taxed hereunder.

13 Notwithstanding the provisions of any law, rule, or regulation to
14 the contrary, land which is valued, assessed and taxed under the
15 provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.) and is acquired by
16 the State, a local government unit, [or] a qualifying tax exempt
17 nonprofit organization , or the Palisades Interstate Park Commission
18 for recreation and conservation purposes shall not be subject to
19 roll-back taxes. As used in this section, "acquired," "local government
20 unit," "qualifying tax exempt nonprofit organization," and "recreation
21 and conservation purposes" mean the same as those terms are defined
22 pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3).

23 In determining the amounts of the roll-back taxes chargeable on
24 land which has undergone a change in use, the assessor shall for each
25 of the roll-back tax years involved, ascertain:

26 (a) The full and fair value of such land under the valuation standard
27 applicable to other land in the taxing district;

28 (b) The amount of the land assessment for the particular tax year
29 by multiplying such full and fair value by the county percentage level,
30 as determined by the county board of taxation in accordance with
31 section 3 of P.L.1960, c.51 (C.54:4-2.27);

32 (c) The amount of the additional assessment on the land for the
33 particular tax year by deducting the amount of the actual assessment
34 on the land for that year from the amount of the land assessment
35 determined under (b) hereof; and

36 (d) The amount of the roll-back tax for that tax year by multiplying
37 the amount of the additional assessment determined under (c) hereof
38 by the general property tax rate of the taxing district applicable for
39 that tax year.

40 (cf: P.L.1999, c.152, s.57)

41

42 3. This act shall take effect immediately.

1 STATEMENT

2

3 Under the "Farmland Assessment Act of 1964," when land receiving
4 farmland assessment is converted to a use other than agricultural or
5 horticultural, the land is subject to additional taxes, known as "roll-
6 back taxes," equal to the tax benefit for the current year and the two
7 tax years preceding. This bill clarifies that land receiving farmland
8 assessment and acquired by the Palisades Interstate Park Commission
9 for recreation and conservation purposes is exempt from the
10 imposition of roll-back taxes pursuant to the "Farmland Assessment
11 Act of 1964."

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 856

STATE OF NEW JERSEY

DATED: MARCH 6, 2000

The Assembly Agriculture and Natural Resources Committee reports favorably Assembly Bill No. 856.

Under the "Farmland Assessment Act of 1964," when land receiving farmland assessment is converted to a use other than agricultural or horticultural, the land is subject to additional taxes, known as "roll-back taxes," equal to the tax benefit for the current year and the two tax years preceding. This bill clarifies that land receiving farmland assessment and acquired by the Palisades Interstate Park Commission for recreation and conservation purposes is exempt from the imposition of roll-back taxes pursuant to the "Farmland Assessment Act of 1964."

This bill was pre-filed for introduction in the 2000 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 856

STATE OF NEW JERSEY

DATED: MARCH 20, 2000

The Assembly Appropriations Committee reports favorably Assembly Bill No. 856.

Assembly Bill No. 856 clarifies that land receiving farmland assessment and acquired by the Palisades Interstate Park Commission for recreation and conservation purposes is exempt from the imposition of roll-back taxes pursuant to the "Farmland Assessment Act of 1964."

Under the "Farmland Assessment Act of 1964," when land receiving farmland assessment is converted to a use other than agricultural or horticultural, the land is subject to additional taxes, known as "roll-back taxes," equal to the tax benefit for the current year and the two tax years preceding.

This bill makes land receiving farmland assessment and acquired by the Palisades Interstate Park Commission for recreation and conservation purposes exempt from the imposition of roll-back taxes. This treatment is identical to that provided by P.L.1999, c.152 for land acquired for recreation and conservation purposes by the State, a local government unit, or a qualifying tax exempt nonprofit organization.

FISCAL IMPACT:

This bill has no necessary fiscal impact. If the Palisades Interstate Park Commission does acquire land receiving farmland assessment and does use that land for recreation and conservation purposes, then the local government units that would otherwise have received the rollback taxes would not. Pertinent data regarding the number of any potential properties that may be subject to the proposed exemption are not available.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 856
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: MARCH 29, 2000

SUMMARY

Synopsis: Exempts Palisades Interstate Park Commission land dedicated to recreation and conservation purposes from "roll-back" taxes.

Type of Impact: Potential loss of property tax revenue for municipalities.

Agencies Affected: Municipalities with land owned by the Palisades Interstate Park Commission that is subject to farmland assessment tax benefits.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	None		
Local Cost	See below		

- ! The bill amends "The Garden State Preservation Trust Act of 1999" (P.L. 1999, c.152) and "The Farmland Assessment Act of 1964" (P.L. 1964, c.48) by exempting the Palisades Interstate Park Commission from paying local roll-back taxes on certain lands it owns.
- ! Roll-back taxes are assessed when land receiving farmland assessment tax benefits is converted to a use other than agricultural, except for such land acquired for recreational or conservation purposes by the State, local governments and qualified nonprofit organizations.
- ! Roll-back taxes are equal to the tax benefit for the current year and the two tax years preceding it.
- ! Affected municipalities would lose potential roll-back tax revenues under the bill but data is not available to calculate a reasonable estimate of these losses.

BILL DESCRIPTION

Assembly Bill No. 856 of 2000 amends the "Farmland Assessment Act of 1964" and the "Garden State Preservation Trust Act of 1999" by clarifying that land receiving farmland assessment tax benefits that is acquired by the Palisades Interstate Park Commission for recreation and conservation purposes is exempt from the imposition of "roll-back taxes." Under current law, such additional taxes are imposed when land receiving farmland assessment is

converted to a use other than agricultural or horticultural. These additional taxes are equal to the tax benefit for the current year and the two tax years preceding it. The bill adds the commission to the list of government and nonprofit entities already eligible for this exemption.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that municipalities which contain properties that may be affected by the exemption proposed under the bill will be unable to collect the additional tax revenues that would be generated from roll-back taxes on such properties. Pertinent data regarding the number of potential properties that may be subject to the proposed exemption is not available.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 856

STATE OF NEW JERSEY

DATED: NOVEMBER 29, 2001

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 856.

This bill provides that land receiving farmland assessment and acquired by the Palisades Interstate Park Commission for recreation and conservation purposes shall be exempt from the imposition of roll-back taxes pursuant to the "Farmland Assessment Act of 1964."

Under the farmland assessment law, when land receiving farmland assessment is converted to a use other than agricultural or horticultural, the land is subject to additional taxes, known as "roll-back taxes," equal to the tax benefit for the current year and the two tax years preceding. Under a 1999 amendment to the law, however, the "roll-back" tax is not applicable to land acquired *for recreation and conservation purposes* by the State, a local government unit, or a qualifying tax exempt nonprofit organization.

This bill extends the class of purchasers of farmland-assessed land, permitted to convert its use to *recreation and conservation purposes* without being subject to the imposition of roll-back taxes, to include the Palisades Interstate Park Commission.

The provisions of this bill are identical to those of Senate Bill No. 873, which the committee also reports this day.

FISCAL IMPACT:

This bill has no necessary fiscal impact. If the Palisades Interstate Park Commission does acquire land receiving farmland assessment and does use that land for recreation and conservation purposes, then the local government units that would otherwise have received the rollback taxes would not. Pertinent data regarding the number of any potential properties that may be subject to the proposed exemption are not available.

ASSEMBLY, No. 856

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Co-Sponsored by:

Senators Bucco and Cardinale

SYNOPSIS

Exempts Palisades Interstate Park Commission land dedicated to recreation and conservation purposes from "roll-back" taxes.

CURRENT VERSION OF TEXT

As reported by the Assembly Agriculture and Natural Resources Committee with technical review.



(Sponsorship Updated As Of: 12/18/2001)

A856 BAGGER

2

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15 to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using
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17 pay annually on October 1 to each municipality in which lands are so
18 acquired and owned, for a period of 13 years following an acquisition
19 the following amounts: in the first year a sum of money equal to the
20 tax last assessed and last paid by the taxpayer upon this land and the
21 improvements thereon for the taxable year immediately prior to the
22 time of its acquisition and thereafter the following percentages of the
23 amount paid in the first year: second year, 92%; third year, 84%;
24 fourth year, 76%; fifth year, 68%; sixth year, 60%; seventh year, 52%;
25 eighth year, 44%; ninth year, 36%; 10th year, 28%; 11th year, 20%;
26 12th year, 12%; 13th year, 4%.

27 (b) Notwithstanding the provisions of subparagraph (a) of this
28 paragraph to the contrary, any payment made pursuant to that
29 subparagraph shall be not less than the amount that would be paid as
30 provided pursuant to paragraph (2) of this subsection.

31 (2) After the 13th year, or sooner as provided pursuant to
32 subparagraph (b) of paragraph (1) of this subsection, the State shall
33 pay annually on October 1 to each municipality in which lands are so
34 acquired and owned the following amounts: \$2 per acre of lands so
35 acquired and owned for any municipality for which all lands owned in
36 fee simple by the State or by a qualifying tax exempt nonprofit
37 organization for recreation and conservation purposes constitute less
38 than 20% of the total land area of the municipality; \$5 per acre of
39 lands so acquired and owned for any municipality for which all lands
40 owned in fee simple by the State or by a qualifying tax exempt
41 nonprofit organization for recreation and conservation purposes
42 constitute at least 20% but less than 40% of the total land area of the
43 municipality; \$10 per acre of lands so acquired and owned for any

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 municipality for which all lands owned in fee simple by the State or by
2 a qualifying tax exempt nonprofit organization for recreation and
3 conservation purposes constitute at least 40% but less than 60% of the
4 total land area of the municipality; and \$20 per acre of lands so
5 acquired and owned for any municipality for which all lands owned in
6 fee simple by the State or by a qualifying tax exempt nonprofit
7 organization for recreation and conservation purposes constitute at
8 least 60% of the total land area of the municipality.

9 b. In the event that land acquired by the State, a local government
10 unit, [or] a qualifying tax exempt nonprofit organization , or the
11 Palisades Interstate Park Commission for recreation and conservation
12 purposes was assessed at an agricultural and horticultural use
13 valuation in accordance with provisions of the "Farmland Assessment
14 Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at the time of its
15 acquisition by the State, local government unit, [or] qualifying tax
16 exempt nonprofit organization , or the Palisades Interstate Park
17 Commission, no roll-back tax pursuant to section 8 of P.L.1964, c.48
18 (C.54:4-23.8) shall be imposed as to this land nor shall this roll-back
19 tax be applicable in determining the annual payments to be made
20 pursuant to subsection a. of this section by the State to the
21 municipality in which this land is located.

22 c. Any payments made by the State pursuant to this section shall
23 be paid from the General Fund but not from constitutionally dedicated
24 moneys.

25 d. All sums of money received by the respective municipalities as
26 compensation for loss of tax revenue pursuant to this section shall be
27 applied to the same purposes as is the tax revenue from the assessment
28 and collection of taxes on real property of these municipalities, and to
29 accomplish this end the sums shall be apportioned in the same manner
30 as the general tax rate of the municipality for the tax year preceding
31 the year of receipt.

32 e. For the purposes of this section, lands owned in fee simple by
33 the State for recreation and conservation purposes shall mean State
34 parks and forests, as defined pursuant to section 3 of P.L.1983, c.324
35 (C.13:1L-3), State wildlife management areas, and any other lands
36 owned in fee simple by the State and administered by the Department
37 of Environmental Protection for recreation and conservation purposes.
38 (cf: P.L.1999, c.52, s.29)

39

40 2. Section 8 of P.L.1964, c.48 (C.54:4-23.8) is amended to read as
41 follows:

42 8. When land which is in agricultural or horticultural use and is
43 being valued, assessed and taxed under the provisions of P.L.1964,
44 c.48 (C.54:4-23.1 et seq.), is applied to a use other than agricultural
45 or horticultural, it shall be subject to additional taxes, hereinafter
46 referred to as roll-back taxes, in an amount equal to the difference, if

A856 BAGGER

1 any, between the taxes paid or payable on the basis of the valuation
2 and the assessment authorized hereunder and the taxes that would
3 have been paid or payable had the land been valued, assessed and
4 taxed as other land in the taxing district, in the current tax year (the
5 year of change in use) and in such of the two tax years immediately
6 preceding, in which the land was valued, assessed and taxed as herein
7 provided.

8 If the tax year in which a change in use of the land occurs, the land
9 was not valued, assessed and taxed under P.L.1964, c.48 (C.54:4-23.1
10 et seq.), then such land shall be subject to roll-back taxes for such of
11 the two tax years, immediately preceding, in which the land was
12 valued, assessed and taxed hereunder.

13 Notwithstanding the provisions of any law, rule, or regulation to
14 the contrary, land which is valued, assessed and taxed under the
15 provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.) and is acquired by
16 the State, a local government unit, [or] a qualifying tax exempt
17 nonprofit organization , or the Palisades Interstate Park Commission
18 for recreation and conservation purposes shall not be subject to
19 roll-back taxes. As used in this section, "acquired," "local government
20 unit," "qualifying tax exempt nonprofit organization," and "recreation
21 and conservation purposes" mean the same as those terms are defined
22 pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3).

23 In determining the amounts of the roll-back taxes chargeable on
24 land which has undergone a change in use, the assessor shall for each
25 of the roll-back tax years involved, ascertain:

26 (a) The full and fair value of such land under the valuation standard
27 applicable to other land in the taxing district;

28 (b) The amount of the land assessment for the particular tax year
29 by multiplying such full and fair value by the county percentage level,
30 as determined by the county board of taxation in accordance with
31 section 3 of P.L.1960, c.51 (C.54:4-2.27);

32 (c) The amount of the additional assessment on the land for the
33 particular tax year by deducting the amount of the actual assessment
34 on the land for that year from the amount of the land assessment
35 determined under (b) hereof; and

36 (d) The amount of the roll-back tax for that tax year by multiplying
37 the amount of the additional assessment determined under (c) hereof
38 by the general property tax rate of the taxing district applicable for
39 that tax year.

40 (cf: P.L.1999, c.152, s.57)

41

42 3. This act shall take effect immediately.

SENATE, No. 873

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED FEBRUARY 7, 2000

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris)

Co-Sponsored by:

Senator Cardinale

SYNOPSIS

Exempts Palisades Interstate Park Commission land dedicated to recreation and conservation purposes from "roll-back" taxes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/18/2001)

S873 BUCCO

2

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5 of New Jersey:

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13 organizations of lands in fee simple for recreation and conservation
14 purposes that become certified exempt from property taxes pursuant
15 to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using
16 constitutionally dedicated moneys in whole or in part, the State shall
17 pay annually on October 1 to each municipality in which lands are so
18 acquired and owned, for a period of 13 years following an acquisition
19 the following amounts: in the first year a sum of money equal to the
20 tax last assessed and last paid by the taxpayer upon this land and the
21 improvements thereon for the taxable year immediately prior to the
22 time of its acquisition and thereafter the following percentages of the
23 amount paid in the first year: second year, 92%; third year, 84%;
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27 (b) Notwithstanding the provisions of subparagraph (a) of this
28 paragraph to the contrary, any payment made pursuant to that
29 subparagraph shall be not less than the amount that would be paid as
30 provided pursuant to paragraph (2) of this subsection.

31 (2) After the 13th year, or sooner as provided pursuant to
32 subparagraph (b) of paragraph (1) of this subsection, the State shall
33 pay annually on October 1 to each municipality in which lands are so
34 acquired and owned the following amounts: \$2 per acre of lands so
35 acquired and owned for any municipality for which all lands owned in
36 fee simple by the State or by a qualifying tax exempt nonprofit
37 organization for recreation and conservation purposes constitute less
38 than 20% of the total land area of the municipality; \$5 per acre of
39 lands so acquired and owned for any municipality for which all lands
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42 constitute at least 20% but less than 40% of the total land area of the
43 municipality; \$10 per acre of lands so acquired and owned for any

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 municipality for which all lands owned in fee simple by the State or by
2 a qualifying tax exempt nonprofit organization for recreation and
3 conservation purposes constitute at least 40% but less than 60% of the
4 total land area of the municipality; and \$20 per acre of lands so
5 acquired and owned for any municipality for which all lands owned in
6 fee simple by the State or by a qualifying tax exempt nonprofit
7 organization for recreation and conservation purposes constitute at
8 least 60% of the total land area of the municipality.

9 b. In the event that land acquired by the State, a local government
10 unit, [or] a qualifying tax exempt nonprofit organization , or the
11 Palisades Interstate Park Commission for recreation and conservation
12 purposes was assessed at an agricultural and horticultural use
13 valuation in accordance with provisions of the "Farmland Assessment
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32 e. For the purposes of this section, lands owned in fee simple by
33 the State for recreation and conservation purposes shall mean State
34 parks and forests, as defined pursuant to section 3 of P.L.1983, c.324
35 (C.13:1L-3), State wildlife management areas, and any other lands
36 owned in fee simple by the State and administered by the Department
37 of Environmental Protection for recreation and conservation purposes.
38 (cf: P.L.1999, c.52, s.29)

39

40 2. Section 8 of P.L.1964, c.48 (C.54:4-23.8) is amended to read as
41 follows:

42 8. When land which is in agricultural or horticultural use and is
43 being valued, assessed and taxed under the provisions of P.L.1964,
44 c.48 (C.54:4-23.1 et seq.), is applied to a use other than agricultural
45 or horticultural, it shall be subject to additional taxes, hereinafter
46 referred to as roll-back taxes, in an amount equal to the difference, if

1 any, between the taxes paid or payable on the basis of the valuation
2 and the assessment authorized hereunder and the taxes that would
3 have been paid or payable had the land been valued, assessed and
4 taxed as other land in the taxing district, in the current tax year (the
5 year of change in use) and in such of the two tax years immediately
6 preceding, in which the land was valued, assessed and taxed as herein
7 provided.

8 If the tax year in which a change in use of the land occurs, the land
9 was not valued, assessed and taxed under P.L.1964, c.48 (C.54:4-23.1
10 et seq.), then such land shall be subject to roll-back taxes for such of
11 the two tax years, immediately preceding, in which the land was
12 valued, assessed and taxed hereunder.

13 Notwithstanding the provisions of any law, rule, or regulation to
14 the contrary, land which is valued, assessed and taxed under the
15 provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.) and is acquired by
16 the State, a local government unit, [or] a qualifying tax exempt
17 nonprofit organization , or the Palisades Interstate Park Commission
18 for recreation and conservation purposes shall not be subject to
19 roll-back taxes. As used in this section, "acquired," "local government
20 unit," "qualifying tax exempt nonprofit organization," and "recreation
21 and conservation purposes" mean the same as those terms are defined
22 pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3).

23 In determining the amounts of the roll-back taxes chargeable on
24 land which has undergone a change in use, the assessor shall for each
25 of the roll-back tax years involved, ascertain:

26 (a) The full and fair value of such land under the valuation standard
27 applicable to other land in the taxing district;

28 (b) The amount of the land assessment for the particular tax year
29 by multiplying such full and fair value by the county percentage level,
30 as determined by the county board of taxation in accordance with
31 section 3 of P.L.1960, c.51 (C.54:4-2.27);

32 (c) The amount of the additional assessment on the land for the
33 particular tax year by deducting the amount of the actual assessment
34 on the land for that year from the amount of the land assessment
35 determined under (b) hereof; and

36 (d) The amount of the roll-back tax for that tax year by multiplying
37 the amount of the additional assessment determined under (c) hereof
38 by the general property tax rate of the taxing district applicable for
39 that tax year.

40 (cf: P.L.1999, c.152, s.57)

41

42 3. This act shall take effect immediately.

1 STATEMENT

2

3 Under the "Farmland Assessment Act of 1964," when land receiving
4 farmland assessment is converted to a use other than agricultural or
5 horticultural, the land is subject to additional taxes, known as "roll-
6 back taxes," equal to the tax benefit for the current year and the two
7 tax years preceding. This bill clarifies that land receiving farmland
8 assessment and acquired by the Palisades Interstate Park Commission
9 for recreation and conservation purposes is exempt from the
10 imposition of roll-back taxes pursuant to the "Farmland Assessment
11 Act of 1964."

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 873
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: APRIL 5, 2000

SUMMARY

Synopsis: Exempts Palisades Interstate Park Commission land dedicated to recreation and conservation purposes from "roll-back" taxes.

Type of Impact: Potential loss of property tax revenue for municipalities.

Agencies Affected: Municipalities with land owned by the Palisades Interstate Park Commission that is subject to farmland assessment tax benefits.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	None		
Local Cost	See below		

- ! The bill amends "The Garden State Preservation Trust Act of 1999" (P.L.1999, c.152) and "The Farmland Assessment Act of 1964" (P.L.1964, c.48) by exempting the Palisades Interstate Park Commission from paying local roll-back taxes on certain lands it owns.
- ! Roll-back taxes are assessed when land receiving farmland assessment tax benefits is converted to a use other than agricultural, except for such land acquired for recreational or conservation purposes by the State, local governments and qualified nonprofit organizations.
- ! Roll-back taxes are equal to the tax benefit for the current year and the two tax years preceding it.
- ! Affected municipalities would lose potential roll-back tax revenues under the bill but data is not available to calculate a reasonable estimate of these losses.

BILL DESCRIPTION

Senate Bill No. 873 of 2000 amends the "Farmland Assessment Act of 1964" and the "Garden State Preservation Trust Act of 1999" by clarifying that land receiving farmland assessment tax benefits that is acquired by the Palisades Interstate Park Commission for recreation and conservation purposes is exempt from the imposition of "roll-back taxes." Under

current law, such additional taxes are imposed when land receiving farmland assessment is converted to a use other than agricultural or horticultural. These additional taxes are equal to the tax benefit for the current year and the two tax years preceding it. The bill adds the commission to the list of government and nonprofit entities already eligible for this exemption.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that municipalities which contain properties that may be affected by the exemption proposed under the bill will be unable to collect the additional tax revenues that would be generated from roll-back taxes on such properties. Pertinent data regarding the number of potential properties that may be subject to the proposed exemption is not available.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 873

STATE OF NEW JERSEY

DATED: MAY 4, 2000

The Senate Environment Committee reports favorably Senate Bill No. 873.

Under the "Farmland Assessment Act of 1964," when land receiving farmland assessment is converted to a use other than agricultural or horticultural, the land is subject to additional taxes, known as "roll-back taxes," equal to the tax benefit for the current year and the two tax years preceding. This bill clarifies that land receiving farmland assessment and acquired by the Palisades Interstate Park Commission for recreation and conservation purposes is exempt from the imposition of roll-back taxes pursuant to the "Farmland Assessment Act of 1964."

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 873

STATE OF NEW JERSEY

DATED: NOVEMBER 29, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 873.

This bill provides that land receiving farmland assessment and acquired by the Palisades Interstate Park Commission for recreation and conservation purposes shall be exempt from the imposition of roll-back taxes pursuant to the "Farmland Assessment Act of 1964."

Under the farmland assessment law, when land receiving farmland assessment is converted to a use other than agricultural or horticultural, the land is subject to additional taxes, known as "roll-back taxes," equal to the tax benefit for the current year and the two tax years preceding. Under a 1999 amendment to the law, however, the "roll-back" tax is not applicable to land acquired *for recreation and conservation purposes* by the State, a local government unit, or a qualifying tax exempt nonprofit organization.

This bill extends the class of purchasers of farmland-assessed land, permitted to convert its use to *recreation and conservation purposes* without being subject to the imposition of roll-back taxes, to include the Palisades Interstate Park Commission.

The provisions of this bill are identical to those of Assembly Bill No. 856, which the committee also reports this day.

FISCAL IMPACT:

This bill has no necessary fiscal impact. If the Palisades Interstate Park Commission does acquire land receiving farmland assessment and does use that land for recreation and conservation purposes, then the local government units that would otherwise have received the rollback taxes would not. Pertinent data regarding the number of any potential properties that may be subject to the proposed exemption are not available.

P.L. 2001, CHAPTER 312, *approved January 3, 2002*

Assembly, No. 856

1 **AN ACT** concerning farmland assessment, and amending P.L.1999,
2 c.152 and P.L.1964, c.48.

3

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

6

7 1. Section 29 of P.L.1999, c.152 (C.13:8C-29) is amended to read
8 as follows:

9 29. a. (1) (a) To the end that municipalities may not suffer a loss
10 of taxes by reason of the acquisition and ownership by the State of
11 lands in fee simple for recreation and conservation purposes, or the
12 acquisition and ownership by qualifying tax exempt nonprofit
13 organizations of lands in fee simple for recreation and conservation
14 purposes that become certified exempt from property taxes pursuant
15 to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using
16 constitutionally dedicated moneys in whole or in part, the State shall
17 pay annually on October 1 to each municipality in which lands are so
18 acquired and owned, for a period of 13 years following an acquisition
19 the following amounts: in the first year a sum of money equal to the
20 tax last assessed and last paid by the taxpayer upon this land and the
21 improvements thereon for the taxable year immediately prior to the
22 time of its acquisition and thereafter the following percentages of the
23 amount paid in the first year: second year, 92%; third year, 84%;
24 fourth year, 76%; fifth year, 68%; sixth year, 60%; seventh year, 52%;
25 eighth year, 44%; ninth year, 36%; 10th year, 28%; 11th year, 20%;
26 12th year, 12%; 13th year, 4%.

27 (b) Notwithstanding the provisions of subparagraph (a) of this
28 paragraph to the contrary, any payment made pursuant to that
29 subparagraph shall be not less than the amount that would be paid as
30 provided pursuant to paragraph (2) of this subsection.

31 (2) After the 13th year, or sooner as provided pursuant to
32 subparagraph (b) of paragraph (1) of this subsection, the State shall
33 pay annually on October 1 to each municipality in which lands are so
34 acquired and owned the following amounts: \$2 per acre of lands so
35 acquired and owned for any municipality for which all lands owned in
36 fee simple by the State or by a qualifying tax exempt nonprofit
37 organization for recreation and conservation purposes constitute less
38 than 20% of the total land area of the municipality; \$5 per acre of
39 lands so acquired and owned for any municipality for which all lands
40 owned in fee simple by the State or by a qualifying tax exempt
41 nonprofit organization for recreation and conservation purposes

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 constitute at least 20% but less than 40% of the total land area of the
2 municipality; \$10 per acre of lands so acquired and owned for any
3 municipality for which all lands owned in fee simple by the State or by
4 a qualifying tax exempt nonprofit organization for recreation and
5 conservation purposes constitute at least 40% but less than 60% of the
6 total land area of the municipality; and \$20 per acre of lands so
7 acquired and owned for any municipality for which all lands owned in
8 fee simple by the State or by a qualifying tax exempt nonprofit
9 organization for recreation and conservation purposes constitute at
10 least 60% of the total land area of the municipality.

11 b. In the event that land acquired by the State, a local government
12 unit, [or] a qualifying tax exempt nonprofit organization, or the
13 Palisades Interstate Park Commission for recreation and conservation
14 purposes was assessed at an agricultural and horticultural use
15 valuation in accordance with provisions of the "Farmland Assessment
16 Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at the time of its
17 acquisition by the State, local government unit, [or] qualifying tax
18 exempt nonprofit organization, or the Palisades Interstate Park
19 Commission, no roll-back tax pursuant to section 8 of P.L.1964, c.48
20 (C.54:4-23.8) shall be imposed as to this land nor shall this roll-back
21 tax be applicable in determining the annual payments to be made
22 pursuant to subsection a. of this section by the State to the
23 municipality in which this land is located.

24 c. Any payments made by the State pursuant to this section shall
25 be paid from the General Fund but not from constitutionally dedicated
26 moneys.

27 d. All sums of money received by the respective municipalities as
28 compensation for loss of tax revenue pursuant to this section shall be
29 applied to the same purposes as is the tax revenue from the assessment
30 and collection of taxes on real property of these municipalities, and to
31 accomplish this end the sums shall be apportioned in the same manner
32 as the general tax rate of the municipality for the tax year preceding
33 the year of receipt.

34 e. For the purposes of this section, lands owned in fee simple by
35 the State for recreation and conservation purposes shall mean State
36 parks and forests, as defined pursuant to section 3 of P.L.1983, c.324
37 (C.13:1L-3), State wildlife management areas, and any other lands
38 owned in fee simple by the State and administered by the Department
39 of Environmental Protection for recreation and conservation purposes.
40 (cf: P.L.1999, c.52, s.29)

41
42 2. Section 8 of P.L.1964, c.48 (C.54:4-23.8) is amended to read as
43 follows:

44 8. When land which is in agricultural or horticultural use and is
45 being valued, assessed and taxed under the provisions of P.L.1964,
46 c.48 (C.54:4-23.1 et seq.), is applied to a use other than agricultural

1 or horticultural, it shall be subject to additional taxes, hereinafter
2 referred to as roll-back taxes, in an amount equal to the difference, if
3 any, between the taxes paid or payable on the basis of the valuation
4 and the assessment authorized hereunder and the taxes that would
5 have been paid or payable had the land been valued, assessed and
6 taxed as other land in the taxing district, in the current tax year (the
7 year of change in use) and in such of the two tax years immediately
8 preceding, in which the land was valued, assessed and taxed as herein
9 provided.

10 If the tax year in which a change in use of the land occurs, the land
11 was not valued, assessed and taxed under P.L.1964, c.48 (C.54:4-23.1
12 et seq.), then such land shall be subject to roll-back taxes for such of
13 the two tax years, immediately preceding, in which the land was
14 valued, assessed and taxed hereunder.

15 Notwithstanding the provisions of any law, rule, or regulation to
16 the contrary, land which is valued, assessed and taxed under the
17 provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.) and is acquired by
18 the State, a local government unit, [or] a qualifying tax exempt
19 nonprofit organization, or the Palisades Interstate Park Commission
20 for recreation and conservation purposes shall not be subject to
21 roll-back taxes. As used in this section, "acquired," "local government
22 unit," "qualifying tax exempt nonprofit organization," and "recreation
23 and conservation purposes" mean the same as those terms are defined
24 pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3).

25 In determining the amounts of the roll-back taxes chargeable on
26 land which has undergone a change in use, the assessor shall for each
27 of the roll-back tax years involved, ascertain:

28 (a) The full and fair value of such land under the valuation standard
29 applicable to other land in the taxing district;

30 (b) The amount of the land assessment for the particular tax year
31 by multiplying such full and fair value by the county percentage level,
32 as determined by the county board of taxation in accordance with
33 section 3 of P.L.1960, c.51 (C.54:4-2.27);

34 (c) The amount of the additional assessment on the land for the
35 particular tax year by deducting the amount of the actual assessment
36 on the land for that year from the amount of the land assessment
37 determined under (b) hereof; and

38 (d) The amount of the roll-back tax for that tax year by multiplying
39 the amount of the additional assessment determined under (c) hereof
40 by the general property tax rate of the taxing district applicable for
41 that tax year.

42 (cf: P.L.1999, c.152, s.57)

43

44 3. This act shall take effect immediately.

1

2

3 Exempts Palisades Interstate Park Commission land dedicated to
4 recreation and conservation purposes from "roll-back" taxes.

CHAPTER 312

AN ACT concerning farmland assessment, and amending P.L.1999, c.152 and P.L.1964, c.48.

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

1. Section 29 of P.L.1999, c.152 (C.13:8C-29) is amended to read as follows:

C.13:8C-29 Payments to municipalities in lieu of taxes for lands acquired using dedicated money.

29. a. (1) (a) To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, or the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes that become certified exempt from property taxes pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using constitutionally dedicated moneys in whole or in part, the State shall pay annually on October 1 to each municipality in which lands are so acquired and owned, for a period of 13 years following an acquisition the following amounts: in the first year a sum of money equal to the tax last assessed and last paid by the taxpayer upon this land and the improvements thereon for the taxable year immediately prior to the time of its acquisition and thereafter the following percentages of the amount paid in the first year: second year, 92%; third year, 84%; fourth year, 76%; fifth year, 68%; sixth year, 60%; seventh year, 52%; eighth year, 44%; ninth year, 36%; 10th year, 28%; 11th year, 20%; 12th year, 12%; 13th year, 4%.

(b) Notwithstanding the provisions of subparagraph (a) of this paragraph to the contrary, any payment made pursuant to that subparagraph shall be not less than the amount that would be paid as provided pursuant to paragraph (2) of this subsection.

(2) After the 13th year, or sooner as provided pursuant to subparagraph (b) of paragraph (1) of this subsection, the State shall pay annually on October 1 to each municipality in which lands are so acquired and owned the following amounts: \$2 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute less than 20% of the total land area of the municipality; \$5 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute at least 20% but less than 40% of the total land area of the municipality; \$10 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute at least 40% but less than 60% of the total land area of the municipality; and \$20 per acre of lands so acquired and owned for any municipality for which all lands owned in fee simple by the State or by a qualifying tax exempt nonprofit organization for recreation and conservation purposes constitute at least 60% of the total land area of the municipality.

b. In the event that land acquired by the State, a local government unit, a qualifying tax exempt nonprofit organization, or the Palisades Interstate Park Commission for recreation and conservation purposes was assessed at an agricultural and horticultural use valuation in accordance with provisions of the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) at the time of its acquisition by the State, local government unit, qualifying tax exempt nonprofit organization, or the Palisades Interstate Park Commission, no roll-back tax pursuant to section 8 of P.L.1964, c.48 (C.54:4-23.8) shall be imposed as to this land nor shall this roll-back tax be applicable in determining the annual payments to be made pursuant to subsection a. of this section by the State to the municipality in which this land is located.

c. Any payments made by the State pursuant to this section shall be paid from the General Fund but not from constitutionally dedicated moneys.

d. All sums of money received by the respective municipalities as compensation for loss of tax revenue pursuant to this section shall be applied to the same purposes as is the tax revenue from the assessment and collection of taxes on real property of these municipalities, and to accomplish this end the sums shall be apportioned in the same manner as the general tax rate of the municipality for the tax year preceding the year of receipt.

e. For the purposes of this section, lands owned in fee simple by the State for recreation and conservation purposes shall mean State parks and forests, as defined pursuant to section 3 of

P.L.1983, c.324 (C.13:1L-3), State wildlife management areas, and any other lands owned in fee simple by the State and administered by the Department of Environmental Protection for recreation and conservation purposes.

2. Section 8 of P.L.1964, c.48 (C.54:4-23.8) is amended to read as follows:

C.54:4-23.8 Determination of amount of rollback taxes.

8. When land which is in agricultural or horticultural use and is being valued, assessed and taxed under the provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.), is applied to a use other than agricultural or horticultural, it shall be subject to additional taxes, hereinafter referred to as roll-back taxes, in an amount equal to the difference, if any, between the taxes paid or payable on the basis of the valuation and the assessment authorized hereunder and the taxes that would have been paid or payable had the land been valued, assessed and taxed as other land in the taxing district, in the current tax year (the year of change in use) and in such of the two tax years immediately preceding, in which the land was valued, assessed and taxed as herein provided.

If the tax year in which a change in use of the land occurs, the land was not valued, assessed and taxed under P.L.1964, c.48 (C.54:4-23.1 et seq.), then such land shall be subject to roll-back taxes for such of the two tax years, immediately preceding, in which the land was valued, assessed and taxed hereunder.

Notwithstanding the provisions of any law, rule, or regulation to the contrary, land which is valued, assessed and taxed under the provisions of P.L.1964, c.48 (C.54:4-23.1 et seq.) and is acquired by the State, a local government unit, a qualifying tax exempt nonprofit organization, or the Palisades Interstate Park Commission for recreation and conservation purposes shall not be subject to roll-back taxes. As used in this section, "acquired," "local government unit," "qualifying tax exempt nonprofit organization," and "recreation and conservation purposes" mean the same as those terms are defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3).

In determining the amounts of the roll-back taxes chargeable on land which has undergone a change in use, the assessor shall for each of the roll-back tax years involved, ascertain:

(a) The full and fair value of such land under the valuation standard applicable to other land in the taxing district;

(b) The amount of the land assessment for the particular tax year by multiplying such full and fair value by the county percentage level, as determined by the county board of taxation in accordance with section 3 of P.L.1960, c.51 (C.54:4-2.27);

(c) The amount of the additional assessment on the land for the particular tax year by deducting the amount of the actual assessment on the land for that year from the amount of the land assessment determined under (b) hereof; and

(d) The amount of the roll-back tax for that tax year by multiplying the amount of the additional assessment determined under (c) hereof by the general property tax rate of the taxing district applicable for that tax year.

3. This act shall take effect immediately.

Approved January 3, 2002.