

54:4-23.12

**LEGISLATIVE HISTORY CHECKLIST**  
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(Agricultural facilities)

**NJSA:** 54:4-23.12

**LAWS OF:** 1993 **CHAPTER:** 251

**BILL NO:** S15

**SPONSOR(S)** Schluter and ~~Caifero~~ *Caifero*

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:** **ASSEMBLY:** ---

**SENATE:** Community Affairs; Budget

**AMENDED DURING PASSAGE:** Yes Amendments during passage  
Second reprint enacted denoted by superscript numbers

**DATE OF PASSAGE:** **ASSEMBLY:** June 21, 1993

**SENATE:** May 13, 1993

**DATE OF APPROVAL:** August 12, 1993

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes (Below)

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** Yes 6-1-92 & 3-18-93

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

**REPORTS:** Yes

**HEARINGS:** No

**Sponsor's statement:**

This bill provides single-use agricultural or horticultural facilities an exemption from general property taxation pursuant to Title 54 of the revised statutes. The facilities eligible for an exemption under this bill have only agricultural value.

Report referred to in Governor's press release.

974.90 New Jersey. State Board of Agriculture.

A278 Agricultural economic recovery and development initiative.

1993a January 18, 1993. Trenton, 1993.

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[SECOND REPRINT]

SENATE, No. 15

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1992 SESSION

By Senators SCHLUTER and Cafiero

1 AN ACT concerning the assessment and taxation of agricultural  
2 facilities serving special or single use purposes in a farm  
3 operation and <sup>1</sup>[supplementing Article 2 of chapter 4 of Title  
4 54 of the Revised Statutes] amending P.L.1964, c.48.<sup>1</sup>

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

8 <sup>1</sup>[1. For the purpose of assessment of taxes, single use  
9 agricultural or horticultural facilities shall be exempt from  
10 general property taxation pursuant to Title 54 of the Revised  
11 Statutes. As used in this act, "single-use agricultural or  
12 horticultural facility" means property employed in farming  
13 operations and commonly used for either storage or growing,  
14 which may be dismantled and sold separately from the farmland  
15 and buildings and shall include, but need not be limited to, silos,  
16 greenhouses, grain bins, manure handling equipment, and  
17 impoundments, but shall not include a structure that encloses a  
18 space within its walls used for housing, shelter, or working,  
19 office, or sales space, whether or not removable.]<sup>1</sup>

20 <sup>1</sup>1. Section 12 of P.L.1964, c.48 (C.54:4-23.12) is amended to  
21 read as follows:

22 12. All structures, which are located on land in agricultural or  
23 horticultural use and the farmhouse and the land on which the  
24 farmhouse is located, together with the additional land used in  
25 connection therewith, shall be valued, assessed and taxed by the  
26 same standards, methods and procedures as other taxable  
27 structures and other land in the taxing district; provided,  
28 however, that the term "structures" shall not include "single-use  
29 agricultural or horticultural facilities." As used in this act,  
30 "single-use agricultural or horticultural facility" means property  
31 employed in farming operations and commonly used for either  
32 storage or growing, which <sup>2</sup>[may be] is designed or constructed so  
33 as to be readily<sup>2</sup> dismantled and <sup>2</sup>is of a type which can be  
34 marketed or<sup>2</sup> sold separately from the farmland and buildings and  
35 shall include, but not be limited to, temporary demountable  
36 plastic covered framework made up of portable parts with no  
37 permanent understructures or related apparatus, commonly  
38 known as seed starting plastic greenhouses, <sup>2</sup>or other readily  
39 dismantled<sup>2</sup> silos, greenhouses, grain bins, manure handling  
40 equipment, and impoundments, but shall not include a structure  
41 that encloses a space within its walls used for housing, shelter, or

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SCO committee amendments adopted June 1, 1992.

<sup>2</sup> Assembly floor amendments adopted June 10, 1993.

1 working, office or sales space, whether or not removable.<sup>1</sup>

2 (cf: P.L.1979, c.70, s.1)

3 <sup>1</sup>[2. Initial application for a tax exemption under this act shall  
4 be filed by the taxpayer with the assessor of the taxing district  
5 on or before October 1 of the pretax year on a form to be  
6 prescribed by the Director of the Division of Taxation and  
7 supplied by the assessor.]<sup>1</sup>

8 <sup>1</sup>[3.] 2.<sup>1</sup> This act shall take effect immediately.

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13 Removes single-use agricultural or horticultural facility from  
14 definition of structure in Farmland Assessment Act.

**SENATE, No. 15**  
**STATE OF NEW JERSEY**

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1992 SESSION

By Senator SCHLUTER

1 **AN ACT** concerning the assessment and taxation of agricultural  
2 facilities serving special or single use purposes in a farm  
3 operation and supplementing Article 2 of chapter 4 of Title 54  
4 of the Revised Statutes.

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

8 1. For the purpose of assessment of taxes, single use  
9 agricultural or horticultural facilities shall be exempt from  
10 general property taxation pursuant to Title 54 of the Revised  
11 Statutes. As used in this act, "single-use agricultural or  
12 horticultural facility" means property employed in farming  
13 operations and commonly used for either storage or growing,  
14 which may be dismantled and sold separately from the farmland  
15 and buildings and shall include, but need not be limited to, silos,  
16 greenhouses, grain bins, manure handling equipment, and  
17 impoundments, but shall not include a structure that encloses a  
18 space within its walls used for housing, shelter, or working,  
19 office, or sales space, whether or not removable.

20 2. Initial application for a tax exemption under this act shall  
21 be filed by the taxpayer with the assessor of the taxing district  
22 on or before October 1 of the pretax year on a form to be  
23 prescribed by the Director of the Division of Taxation and  
24 supplied by the assessor.

25 3. This act shall take effect immediately.

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**STATEMENT**

30 This bill provides single-use agricultural or horticultural  
31 facilities an exemption from general property taxation pursuant  
32 to Title 54 of the Revised Statutes. The facilities eligible for an  
33 exemption under this bill have only agricultural value.

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38 Provides an exemption from general property taxation for  
39 agricultural facilities serving single use purposes.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

**SENATE, No. 15**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 1, 1992

The Senate Community Affairs Committee favorably reports Senate Bill No. 15 with Senate committee amendments.

Senate Bill No. 15, as amended by the committee, would amend the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.), to exclude "single-use agricultural or horticultural facilities" from the definition of "structures." Under the current provisions of the act, all structures located on land in agricultural or horticultural use and the farmhouse and the land on which the farmhouse is located, together with the additional land used in connection therewith, is valued, assessed and taxed by the same standards, methods and procedures as other taxable structures and other land within the taxing district.

Pursuant to section 1 of P.L.1979, c.70 (C.54:4-23.12), the term "structures" was amended to exclude temporary demountable plastic covered framework made up of portable parts with no permanent understructures or related apparatus, commonly known as seed starting plastic greenhouses. This bill would further expand that exemption by extending it to other property employed in farming operations and commonly used for either storage or growing, which may be dismantled and sold separately from the farmland and buildings. These include but are not limited to silos, greenhouses, grain bins, manure handling equipment and impoundments. Specifically excluded from this exemption are structures that enclose a space within walls used for housing, shelter, or working, office or sales space, whether or not removable.

The committee amended the bill in recognition of the fact that an existing section of law, section 12 of P.L.1964, c.48 (C.54:4-23.12), already addresses the taxation of structures located on farm property and establishes an exception thereto for seed starting plastic greenhouses. It is the committee's intention to place all exceptions to the definition of structures on farmland in the same section of law. The committee also amended the bill to omit the section establishing a form for the application for tax exemption for single-use agricultural or horticultural facilities because it is more effective for an application for such an exemption to be included as part of the application for valuation, assessment and taxation of land in agricultural or horticultural use required pursuant to section 14 of P.L.1964, c.48 (C.54:4-23.14).

This bill was pre-filed for introduction in the 1992 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 15

STATE OF NEW JERSEY

DATED: MARCH 18, 1993

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 15 [1R].

Senate Bill No. 15 (1R) amends the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.), to exclude "single-use agricultural or horticultural facilities" from the definition of "structures." Under the current provisions of the law, all structures located on land in agricultural or horticultural use (including the farmhouse and the land on which the farmhouse is located) is valued, assessed and taxed by the same standards, methods and procedures as other taxable structures and other land within the taxing district.

Section 1 of P.L.1979, c.70 (C.54:4-23.12) amended the term "structures" to exempt any temporary demountable plastic covered framework made up of portable parts with no permanent understructures or related apparatus. Such a framework is commonly known as seed starting plastic greenhouse. This bill expands the exemption by extending it to other property employed in a farming operation which may be dismantled and sold separately from the farmland and buildings. This property includes silos, greenhouses, grain bins, manure handling equipment and impoundments.

Structures that are used for housing, shelter, or working, office or sales space, whether or not removable, are not exempted.

FISCAL IMPACT

This bill concerns the taxation of property by local governments. It does not have an impact on State revenues or expenditures.



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## OFFICE OF THE GOVERNOR NEWS RELEASE

**CN-001**  
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**TRENTON, N.J. 08625**  
**Release:**

Thursday  
August 12, 1993

### **GOVERNOR SIGNS FARM ASSESSMENT BILL**

**AUGUSTA** -- Taking part in the state's time-honored tradition of county fairs, Governor Jim Florio today visited the Sussex County Farm and Horse Show, where he walked the fairgrounds and also signed legislation amending the state's Farmland Assessment law to provide greater tax relief to local farmers.

"This legislation is good news for Sussex County farmers and business owners who are so vital to our state's economy. It will relieve property owners of excessive taxation on farm and horticultural 'structures' and add more flexibility to farming operations," said Governor Florio. "It will also expand the exemption to other property employed in a farming operation. Extending property tax relief to farmers will also help our entire agricultural economy be more competitive."

The legislation amends the state's Farmland Assessment Act of 1964 to redefine specific kinds of agricultural or horticultural facilities as personal property, exempting such structures from real estate taxes. Until now, all structures located on land used for agricultural or horticultural purposes (including the farmhouse and the land on which the farmhouse is located) are valued, assessed and taxed by the same measure applied to other taxable structures and land within the taxing district. The law was previously amended in a limited way to exempt any temporary plastic covered framework structures, specifically seed-starting plastic greenhouses.

The new law provides a broader expansion of the exemption to include silos, other greenhouses, grain bins, manure handling equipment and impoundments, all of which can be dismantled and sold. The number of structures to which the new law applies is fairly small and the law is not expected to have a major impact on local tax revenue. However, the measure is expected to provide significant tax relief to grain, dairy and nursery operations which use these facilities. Such single-use, or single-purpose agricultural structures are already exempt from property taxes in adjacent states.

The legislation incorporates recommendations outlined in the recent Agricultural Economic Recovery and Development Initiative report submitted

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by the state Board of Agriculture and the Department of Agriculture. S 15 was sponsored by Senator William Schluter.

During his visit to the fairgrounds, Governor Florio noted that visiting Sussex County was a homecoming for him. Vincenzo Florio, a ship painter, moved the family to Lake Hopatcong during the 1950's, after the Brooklyn Naval Yard closed.

"I've always been dedicated to keeping the 'garden' in the Garden State and I can't think of a more appropriate county to be in today," said Governor Florio.

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