

Farmland Assessment Overview

July, 2015



New Jersey Department of Agriculture

What is Farmland Assessment?

The New Jersey Farmland Assessment Act of 1964 permits farmland and woodland acres that are actively devoted to an agricultural or horticultural use to be assessed at their productivity value.

The Act does not apply to buildings of any kind, or to the land associated with the farmhouse. Buildings and home sites on farms are assessed like all other non-farm property. When and if the land qualified under the Act changes to a non-agricultural or non-horticultural use, it is subject to a rollback tax.

Minimum Eligibility Requirements for Farmland Assessment:

1. Applicant must own the land.
2. Owner must annually apply for Farmland Assessment on Form FA-1 with the municipal tax assessor on or before August 1 of the year immediately preceding the tax year.
3. Land must be devoted to agricultural and/or horticultural uses for at least two years prior to the tax year the applicant is applying for.
4. Land must consist of at least 5 contiguous (adjoining) acres being farmed and/or under a woodland management plan. Land under and adjoining the farmhouse is not counted in the 5-acre minimum area needed to qualify.
5. Gross sales of products from the land must average at least \$1,000 per year for the first 5 acres, plus an average of \$5 per acre for each acre over 5, except in the case of woodland or wetland where the income requirement is \$500 per year for the first 5 acres plus \$.50 per acre for any acreage over 5; or there is clear evidence of anticipated yearly gross sales, payments, or fees within a reasonable period of time dependent on the agricultural or horticultural products being produced.
6. Owner must represent that the land will continue in agricultural or horticultural use to the end of the tax year.

Note: There are additional requirements for the boarding, training, or rehabilitation of livestock and woodlands under a woodland management plan.

Additional Land Requirements:

To be eligible for Farmland Assessment, land actively devoted to an agricultural or horticultural use must have not less than 5 acres devoted to the production of crops; livestock or their products; and/or forest products under a woodland management plan.



In determining the area of such land, all the land under barns, sheds, seasonal farm markets selling predominantly agriculture products, seasonal agriculture labor housing, silos, cribs, greenhouses and like structures, lakes, dams, ponds, streams, irrigations ditches and like facilities are included (provided their use is related to agriculture or horticulture). Also included is appurtenant woodland acreage that is equal to or less than the acreage in cropland and pastureland.

Ineligible land area is land under the farmhouse and additional land used in connection with the farmhouse, including, but not limited to, land used for lawns, flower gardens, shrubs, recreation and for like purposes. This land is excluded in determining the qualified area.

Where individual parcels of land in agriculture or horticultural use under single ownership are located in the same taxing district, compliance with the five-acre minimum area eligibility requirement is considered to have been met if the individual parcels are contiguous (adjoining) and the total eligible area is at least five acres.

Land under single ownership, separated by a public right of way, is considered to be contiguous. Where contiguous land in agricultural or horticultural use in single ownership, is located in more than one taxing district, compliance with the five-acre minimum area requirement is determined on the basis of the total eligible area of such land and not the area which is located in a particular taxing district (an application must be filed in each respective taxing district).

the property under the solar panels is used to the greatest extent practicable for the farming of shade crops or other plants capable of being grown under such conditions, or for pasture for grazing;

The amount of acreage devoted to energy generation facilities meets, but does not exceed, a ratio of one-to-five acres or portion thereof. In other words, for each "unit" of land devoted to energy generation, there are at least another five "units" of land devoted to agricultural and/or horticultural operations. The following graph illustrates the ratio in terms of sample acreages:

Acreage Used for Renewable Energy on Farmland Assessment Acreage		
Total Acres	*Maximum acres in Solar/Wind/Biomass	Minimum acres in Agriculture/Horticulture
5.25	0.25	5.00
5.60	0.60	5.00
6.00	1.00	5.00
7.00	1.19	5.81
8.00	1.36	6.64
9.00	1.53	7.47
10.00	1.70	8.30
15.00	2.55	12.45
25.00	4.25	20.75
50.00	8.50	41.50
59.00	10.00	49.00
60.00	10.00	50.00
100.00	10.00	90.00

*Ratio to calculate assessments: 1 part renewable energy to 5 parts of land devoted to agricultural or horticultural operations = 1/6 or .167 rounded to .17.

Must have greater than 5 acres to invest in renewable energy sources