

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 1004 STATE OF NEW JERSEY 214th LEGISLATURE

DATED: JUNE 1, 2010

### SUMMARY

- Synopsis:** Extends expiration date of special appraisal process for Green Acres and farmland preservation programs from 2009 to 2014 for lands in Highlands Region.
- Type of Impact:** Expenditure increase from the Garden State Preservation Trust Fund
- Agencies Affected:** Department of Environmental Protection and State Agriculture Development Committee.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	\$51,000	\$51,000	\$51,000

- The bill extends the expiration date of the special appraisal process required under P.L.1999, c.152, as amended, from June 30, 2009 to June 30, 2014 for land acquisitions and development easement purchases funded by the Garden State Preservation Trust Fund (GSPTF) under the Green Acres and farmland preservation programs for lands in the Highlands Region.
- The special appraisal process currently requires the State or other eligible participants to conduct two appraisals: one based on the property value on the proposed acquisition date, the other based on its value as of January 1, 2004. The higher amount is used as the basis of negotiation with the landowner when determining the final acquisition or easement price.
- Appraisal costs, as well as all administrative expenses incurred by the Department of Environmental Protection (DEP) for the Green Acres program and the State Agriculture Development Committee (SADC) for the farmland preservation program, are supported by the GSPTF.
- The Office of Legislative Services (OLS) **concurs** with Executive estimates previously submitted for a similar bill, Assembly Bill No. 597 of 2008, that also apply to this bill.

## **BILL DESCRIPTION**

Senate Bill No. 1004 (1R) of 2010 extends the expiration date of the special appraisal process provided in law for State-funded land acquisitions and development easement purchases under the Green Acres and farmland preservation programs from June 30, 2009 to June 30, 2014 for lands in the Highlands Region.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

Although the DEP did not submit fiscal impact data for this bill, it did supply pertinent data concerning Assembly Bill No. 597 of 2008, which is nearly identical to this bill except for the expiration date revision. Nevertheless, the OLS believes this previous data is still applicable to the subject bill. For A.597, the DEP estimated that Geographic Information System (GIS) costs could increase by as much as \$51,000 annually to map eligible areas affected during the extended appraisal period. It also estimated appraisal costs could increase by 10 percent every five years. The DEP concluded by stating that, given the inability of predicting the status of the real estate market during the extension period, which would also be affected by zoning, water/sewer allocation, infrastructure and other regulatory factors, it would be impossible to estimate the full fiscal impact of the bill in terms of how it affects the final appraised value of eligible properties.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concurred with the Executive estimates and statements for A.597 and believes they still apply to the current bill.

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).