



New Forest Stewardship Regulations for Farmland Assessment Offers Stable Tax Base and Conservation of Forests

Recently, the Department of Environmental Protection (DEP) published its rules to enact the Forest Stewardship Act of 2009 (the “Act”). The forestry community supported the Act to align the Farmland Assessment program with the realities of good forest stewardship in a suburbanizing state.

Historically, the Farmland Assessment program was the result of strong popular support to save open space in New Jersey. The inability of agricultural landowners to pay high property taxes created a huge incentive for them to sell to developers, and led to the rapid, tract-housing development of the 1950s and early 1960s. By incentivizing retention of private farmland, the public retains the scenic beauty and clean water (among numerous other benefits) provided by those lands. Other benefits include saving the cost of public services demanded by those lands (which studies have confirmed far exceed any potential tax revenue generated), and a steady supply of willing participants in the various “Green Acres” and farmland preservation programs offered by public and private entities.

Leading up to the Act, there was concern that small forest landholdings – often the most sensitive to development pressures – were encountering difficulties when it came to generating annual income under Farmland Assessment. Since the Farmland Assessment Act and the amendment to the State Constitution enabling the program were written primarily with open-field farmland in mind, there has been tension between the program’s annual or biannual income requirements and the much longer timelines for generating income under typical forest management regimes. Specifically, there was concern that some small forested properties were reaching minimum levels of tree canopy beyond which further removal and sale of firewood (the most common wood product generated) could not be recommended, and since the Farmland Assessment program disallows properties where wood harvesting is “excessive and unnecessary,” landowners would have to leave the program for following the good advice of their forester, and then be hit with a tax bill that would force them to sell to a developer.

Balanced against this desire to save open space and protect local governments from added costs of more houses and more public services was a desire for a stable tax base by making sure other lands would have significant hurdles in qualifying for reduced assessments under the Forest Stewardship program.

To this end, our organizations worked together as stakeholders with DEP to ensure that the rules implementing the Act protect both New Jersey’s forests and its taxpayers. The new Forest Stewardship program is an intelligent outgrowth of, and a partner to, traditional Farmland Assessment; it is not a replacement.

We believe to the Forest Stewardship program will promote the efforts of owners of smaller forested lands to maintain and improve their forests. We believe the responsibilities and incentives are now in place for a renaissance of sustainable forest management on those lands that will benefit forest health, wildlife populations and habitat, and protect clean water.

We believe that the Forest Stewardship program contains material and significant barriers to prevent abuse. We are concerned about public statements by organizations claiming the Act would remove requirements to manage and perform activities (including tree cutting) on qualifying lands. Nothing could be further from the truth. The State Constitution requires that all lands be taxed based on its highest and best use unless it is “actively devoted to agricultural or horticultural use.” The Forest Stewardship Act was written to operate within that context.

The ultimate decision for a landowner to manage their lands and qualify for agricultural assessment or to not manage their lands and not qualify for agricultural assessment remains the same. Rather, the change reflects the landowner’s option to – so long as they are conducting meaningful and measurable activities in accordance with their DEP-approved Forest Stewardship Plan – maintain their forestland and defer income generation into the future. Given that most of the tree species in New Jersey’s forests can live up to 125 years and beyond, we believe this is reasonable. All of us want to maintain and foster healthy forests and recognize their many societal benefits, and we understand that trees are not annual crops such as corn.

Any claim that the Forest Stewardship program allows landowners to cease activity but retain agricultural assessment is untrue. Only active devotion to agriculture through active forest management qualifies. Our organizations are dedicated to the proper administration of the new Forest Stewardship program and the traditional Farmland Assessment program and are concerned that misleading information could damage a very successful history of open space and agricultural conservation in New Jersey. Landowners, tax assessors and other public officials must rely on official and professional sources of information regarding these programs, and as such we pledge our support to landowners, the DEP and the Division of Taxation to make sure that this program is properly understood and implemented.

-New Jersey Division of the Allegheny Society of American Foresters
-New Jersey Forestry Association