

STATE AGRICULTURE DEVELOPMENT COMMITTEE
April 24, 2009
Summary of Changes to the SADC Appraisal Handbook – 2009

1. Page 9: Zoning as a Valuation Factor:

Statement Added: On April 2, 2009 the SADC adopted the following interpretation of the sunset of the alternative appraisal valuation:

The SADC's interpretation of this Garden State Preservation Trust Act (GSPT Act) provision recognizes the relationship between three key aspects of the provision: first, the point in time which the entity "seeks to acquire" a development easement; second, the need to utilize state dedicated funds (including funds flowing from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007); and third, the need for the entity to "commence" appraisals.

As such, this statutory provision shall be interpreted by the SADC to mean the following:

1. An application for the sale of a development easement or sale of fee simple title requiring SADC approval prior to initiating appraisals must be received by the SADC no later than June 30, 2009. This includes all applications processed under the County and Municipal Planning Incentive Grant (PIG) programs and Non-Profit applications seeking SADC preliminary approval.
 - a. Appraisals shall be conducted and submitted to the SADC within 180 days of the SADC's approval of the application (i.e., SADC issuance of a "green light" approval under the PIG program, or SADC preliminary approval under the Non-Profit program).
 - b. All appraisals shall have a market valuation date no later than June 30, 2009.
2. In those instances where SADC approval of an application for the sale of a development easement or sale of fee simple title has already been granted, all appraisals shall be submitted to the SADC no later than December 31, 2009.
 - a. All appraisals shall have a market valuation date no later than June 30, 2009.
3. Funding for the acquisition of the development easement or land in fee simple title shall be provided in whole or in part through either the Garden State Preservation Trust (GSPT) funds, or funds authorized by the Green Acres,

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Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 to utilize the appraisal valuation procedure contained at N.J.S.A. 13:8C-38j(1).

Page 26: Subdivision Method:

Statement Added:

The SADC will only consider this method as an independent value consideration in conjunction with a standard comparative approach as described above. The SADC will consider a request to use the subdivision method only if the appraisers provide the following to the Applicant (County, Municipality, Non-Profit) and to the SADC: (1) written certifications that there is a compelling need for this method, and (2) a detailed description of the reasons justifying the compelling need. Should an applicant (county, municipality or non-profit) seek to use the subdivision method and the SADC approve it, the applicant (county, municipality or non-profit) would be responsible for hiring the appropriate professionals to produce the detailed engineering and environmental assessment work called for in the handbook. The SADC will not accept work done by, or for, the landowner for these purposes.

Page 33: Existing Conservation Easements:

Section Added: Existing Conservation Easements and Other Restrictions on Development and Use of the Property.

The appraiser shall consider the impacts on value resulting from any conservation easements recorded on the property, or any other restrictions on development or use of the property. The appraiser shall not rely on assurances from anyone that such recorded conservation easements or use restrictions can be removed unilaterally by municipal governing bodies, land use boards and/or property owners.