

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

**SENATE, No. 757**

## **STATE OF NEW JERSEY 220th LEGISLATURE**

DATED: MARCH 28, 2022

### **SUMMARY**

- Synopsis:** Authorizes special occasion events at certain commercial farms on preserved farmland, under certain conditions; appropriates \$85,000.
- Type of Impact:** Annual State expenditure increase; annual local expenditure and revenue increases.
- Agencies Affected:** State Agriculture Development Committee; Rutgers, The State University of New Jersey; municipalities; county agriculture development boards.

#### **Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>Local Expenditure Increase</b>	Indeterminate
<b>Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) determines that this bill would result in an indeterminate annual expenditure increase by municipalities, particularly municipalities that contain many preserved farms. Municipalities are authorized by the bill, but not required, to adopt ordinances related to special occasion events and to require applications for certain special occasion events. Doing so would increase the administrative workload on the municipal government, but these tasks could likely be subsumed by current staff using existing resources.
- Municipalities that choose to require applications for special occasion events could see marginal revenue increases from the application fees. The OLS notes that the amount of these fees is limited to \$200.
- The bill would also authorize county agriculture development boards (CADBs) to inspect farms and enforce the bill's provisions. The OLS cannot predict how much of an administrative burden this would place on CADBs, because it is unclear how many preserved farms will violate the bill's provisions. The OLS notes that CADBs can delegate their enforcement

responsibilities to the State Agriculture Development Committee (SADC) by a majority vote of the board, thus shifting this expenditure increase from the county to the State.

## **BILL DESCRIPTION**

The bill authorizes certain commercial farms that are located on preserved farmland, and produce agricultural or horticultural products worth \$10,000 or more annually, to hold special occasion events, subject to certain conditions. The bill authorizes municipalities to pass ordinances to modify the number and size of different types of allowable special occasion events.

The bill would also authorize a municipality to restrict a commercial farm from conducting special occasion events unless the farm receives approval from a municipal officer or agency, to be designated by ordinance of the municipal governing body. A municipality may require an application if the special occasion event would generate a parking or traffic flow situation, or require the expenditure of municipal resources or inspections from agencies or authorities of the municipality. The bill would limit the application fee to no more than \$200.

The bill would also allow a CADB to inspect preserved farms on which special occasion events are held in order to determine compliance with the bill's provisions. The bill authorizes CADB inspections to occur once annually unless complaints necessitate additional inspections. An owner or operator of a commercial farm who violates the bill's provisions would be subject to a civil administrative penalty of up to \$500 for the first offense, up to \$2,500 for the second offense, or up to \$5,000 for a third and subsequent offense. Enforcement and inspection responsibilities under the bill would be provided to the CADB, unless the CADB transfers these responsibilities to the SADC by a majority vote of the members.

The bill would require the SADC to adopt rules and regulations to implement the provisions of the bill and to provide certain forms, processes, and procedures as necessary to implement the bill. The bill would also require Rutgers to conduct an ongoing study of special occasion events on preserved farmland and periodically report to the Governor and the Legislature on the results of the study. The bill would appropriate \$85,000 from the General Fund to Rutgers for the purposes of the study.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS determines that this bill would result in an indeterminate annual expenditure increase by municipalities, particularly municipalities that contain many preserved farms. Municipalities are authorized by the bill, but not required, to adopt ordinances related to special occasion events and to require applications for certain special occasion events. Doing so would increase the administrative workload on the municipal government, but these tasks could likely be subsumed by current staff using existing resources. In addition, to the extent that the special occasion events authorized by the bill would require local enforcement of municipal ordinances, there may be a marginal increase in municipal expenditures. Municipalities that choose to require applications for certain special occasion events could see marginal revenue increases from the application fees,

depending on how many farms choose to hold events for which applications are required. The OLS notes that the bill places conditions on a municipality's authority to require an application and the information that may be requested, and limits the amount of the application fee to \$200.

The bill would also authorize CADBs to inspect farms and enforce the bill's provisions. The OLS cannot predict how much additional administrative workload this would place on CADBs because it is unclear how many preserved farms will violate the bill's provisions or how many complaints may be filed that would necessitate inspections. The OLS notes that CADBs can delegate their enforcement responsibilities to the SADC by a majority vote of the board, thus shifting any expenditure increase from the county to the State. There may also be marginal recurring revenue gains from the civil administrative penalties associated with the bill, which may accrue to the county or the State, depending on whether the relevant CADB delegated its enforcement authority to the SADC.

The bill may also result in a one-time marginal State expenditure increase, since it would require the SADC to adopt rules and regulations and publish other materials to implement the bill. However, these tasks can likely be subsumed within existing staff duties. Finally, Rutgers may see a marginal annual expenditure increase as a result of the bill, since it is required to conduct an ongoing study of the special occasion events authorized by the bill and to provide periodic reports to the Legislature. The OLS notes that the bill appropriates \$85,000 to Rutgers for this purpose.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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