

SENATE, No. 1057

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 22, 2018

Sponsored by:

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Requires EDA, in consultation with Department of Agriculture, to establish loan program for certain vineyard and winery capital expenses.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning loans to vineyards and wineries and
2 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 "Authority" shall have the same meaning as provided in section 3
10 of P.L.1974, c.80 (C.34:1B-3).

11 "Department" means the Department of Agriculture established
12 pursuant to R.S.4:1-1.

13 "Qualified capital expense" means all expenditures made by an
14 eligible vineyard or winery for land acquisition or improvement,
15 infrastructure acquisition or modernization, and the purchase or
16 modernization of machinery and equipment, including:

- 17 a. barrels;
- 18 b. bins;
- 19 c. bottling equipment;
- 20 d. canopy management machines;
- 21 e. capsuling equipment;
- 22 f. chemicals;
- 23 g. corks;
- 24 h. crushers;
- 25 i. deer control fencing;
- 26 j. destemmers;
- 27 k. fermenters or other recognized fermentation devices;
- 28 l. fertilizer and soil amendments;
- 29 m. filters;
- 30 n. fruit harvesters;
- 31 o. fruit plants;
- 32 p. hoses;
- 33 q. irrigation equipment;
- 34 r. labeling equipment;
- 35 s. lugs;
- 36 t. mowers;
- 37 u. poles;
- 38 v. posts;
- 39 w. presses;
- 40 x. pruning equipment;
- 41 y. pumps;
- 42 z. refractometers;
- 43 aa. refrigeration equipment;
- 44 bb. seeders;
- 45 cc. soil;
- 46 dd. small tools;
- 47 ee. tanks;
- 48 ff. tractors;

1 gg. vats;
2 hh. weeding and spraying equipment;
3 ii. wine tanks;
4 jj. wire; and
5 kk. any other items as approved by the authority in consultation
6 with the department.

7 “Vineyard” means agricultural lands located in the State consisting
8 of at least one contiguous acre dedicated to the growing of grapes or
9 other fruit that are used or are intended to be used in the production of
10 wine by a winery as well as any other plants or other improvements
11 located thereon.

12 “Winery” means a commercial farm where the owner or operator
13 of the commercial farm has been issued and is operating in compliance
14 with a plenary winery license or farm winery license pursuant to
15 R.S.33:1-10.

16

17 2. a. The New Jersey Economic Development Authority, in
18 consultation with the Department of Agriculture, shall maintain and
19 administer a loan program and application process for the purpose of
20 providing loans to eligible vineyards or wineries to pay for qualified
21 capital expenses.

22 b. The authority, in consultation with the department, shall
23 provide a loan to an eligible vineyard or winery to pay for qualified
24 capital expenses. A loan amount shall be no less than \$10,000 and no
25 greater than \$100,000 to each eligible vineyard or winery, bear a rate
26 of interest between three and five percent, and shall be repayable over
27 a term of up to 10 years, as determined by the authority and
28 department. A vineyard or that plans to use funds from the
29 prospective loan to acquire more real property in order to expand its
30 business shall be eligible for higher loan amounts with lower interest
31 rates as determined by the authority and department.

32 c. A loan to an eligible vineyard or winery authorized under P.L. ,
33 c. (C.) (pending before the Legislature as this bill) shall be
34 made pursuant to a loan agreement with the authority and shall contain
35 any terms and conditions considered appropriate by the authority that
36 are consistent with the purposes of P.L. , c. (C.) (pending
37 before the Legislature as this bill). The provisions of the loan
38 agreement shall include, but not be limited to, a statement the
39 proportional shares of ownership in eligible vineyard or winery,
40 equipment usage and maintenance responsibilities, and loan repayment
41 responsibilities for any loan proceeds received under the loan program.

42 d. The authority may, in its discretion, require an eligible
43 vineyard or winery that receives a loan authorized pursuant to P.L. ,
44 c. (C.) (pending before the Legislature as this bill) to submit an
45 annual audited financial statement to the authority in order to ensure
46 the continued viability of all vineyard or winery operations.

47 e. The authority may, either through the adoption of rules and
48 regulations, or through the terms of the loan agreement made pursuant

1 to subsection c. of this section, establish terms governing the incidence
2 of default by an eligible vineyard or winery that receives a loan under
3 the program administered pursuant to P.L. , c. (C.) (pending
4 before the Legislature as this bill).

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6 3. The authority, in consultation with the department, may
7 adopt rules and regulations, pursuant to the "Administrative
8 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as may be
9 necessary to effectuate the purposes of P.L. , c. (C.)
10 (pending before the Legislature as this bill).

11
12 4. This act shall take effect immediately.

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15 **STATEMENT**

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17 This bill requires the New Jersey Economic Development
18 Authority (EDA), in consultation with the Department of
19 Agriculture (NJDA), to establish a loan program and application
20 process for the purpose of providing loans to eligible vineyards or
21 wineries to pay for "qualified capital expenses," as that term is
22 defined in the bill.

23 Under the bill, the EDA, in consultation with the NJDA, is to
24 provide loans to eligible vineyards or wineries to pay for qualified
25 capital expenses. Loan amounts are to be no less than \$10,000 and
26 no greater than \$100,000 to each eligible vineyard or winery, bear a
27 rate of interest between three and five percent, and be repayable
28 over a term of up to 10 years, as determined by the EDA and NJDA.
29 A vineyard or winery that plans to use funds from the prospective
30 loan to acquire more real property in order to expand its business is
31 to be eligible for higher loan amounts with lower interest rates as
32 determined by the EDA and NJDA.