

[First Reprint]

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)

Senator VIN GOPAL

District 11 (Monmouth)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblyman BOB ANDRZEJCZAK

District 1 (Atlantic, Cape May and Cumberland)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman ADAM J. TALIAFERRO

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

Senators Brown, Addiego, Beach, Assemblyman Gusciora and Senator Cruz-Perez

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 reported by the Senate Economic Growth Committee on January 25, 2018, with amendments.

(Sponsorship Updated As Of: 9/28/2018)

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;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEG committee amendments adopted January 25, 2018.

1 dd. small tools;
2 ee. tanks;
3 ff. tractors;
4 gg. vats;
5 hh. weeding and spraying equipment;
6 ii. wine tanks;
7 jj. wire; and
8 kk. any other items as approved by the authority in consultation
9 with the department.

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

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

19

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

25 b. The authority, in consultation with the department, shall
26 provide a loan to an eligible vineyard or winery to pay for qualified
27 capital expenses. A loan amount shall be no less than \$10,000 and no
28 greater than \$100,000 to each eligible vineyard or winery, bear a rate
29 of interest between three and five percent, and shall be repayable over
30 a term of up to 10 years, as determined by the authority and
31 department. A vineyard or ¹winery¹ that plans to use funds from the
32 prospective loan to acquire more real property in order to expand its
33 business shall be eligible for higher loan amounts with lower interest
34 rates as determined by the authority and department.

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

45 d. The authority may, in its discretion, require an eligible
46 vineyard or winery that receives a loan authorized pursuant to P.L. ,
47 c. (C.) (pending before the Legislature as this bill) to submit an

- 1 annual audited financial statement to the authority in order to ensure
2 the continued viability of all vineyard or winery operations.
- 3 e. The authority may, either through the adoption of rules and
4 regulations, or through the terms of the loan agreement made pursuant
5 to subsection c. of this section, establish terms governing the incidence
6 of default by an eligible vineyard or winery that receives a loan under
7 the program administered pursuant to P.L. , c. (C.) (pending
8 before the Legislature as this bill).
- 9
- 10 3. The authority, in consultation with the department, may
11 adopt rules and regulations, pursuant to the "Administrative
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as may be
13 necessary to effectuate the purposes of P.L. , c. (C.)
14 (pending before the Legislature as this bill).
- 15
- 16 4. This act shall take effect immediately.