LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2773
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 30, 2020

SUMMARY

Synopsis: Allows certain preserved farms to hold 14 special occasion events per year; imposes further event restrictions on residentially-exposed preserved farms.

Type of Impact: Annual State and local expenditure increases.

Agencies Affected: Department of Agriculture, counties, municipalities.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Expenditure Increase		Indeterminate	
Local Expenditure Increase		Indeterminate	

- The Office of Legislative Services (OLS) estimates that the bill may result in annual indeterminate State, county, and municipal expenditure increases as the bill imposes additional administrative tasks on the State Agriculture Development Committee (SADC), State Board of Agriculture, and county agriculture development boards (CADB). It is likely, however, that these tasks can be subsumed within existing staff at little or no marginal cost.

- To the extent that the special occasion events would require local enforcement of municipal ordinances, there may be a marginal increase in annual municipal expenditures.

BILL DESCRIPTION

The bill would allow an owner of preserved farmland to hold no more than fourteen special occasion events on the preserved farmland per year, if located in a non-residentially-exposed area. The bill would allow seven special occasion events if the preserved farmland is located in a residentially-exposed area. However, a greater number of events may be held if permitted by municipal ordinance. The bill would prohibit an owner of preserved farmland from building a new structure or extending certain utility lines, if these activities are conducted for the sole purpose of holding special occasion events. The provisions of the bill would not apply to wineries, cideries, meaderies, breweries, or distilleries.

The bill defines a special occasion event as a wedding, lifetime milestone event, or other cultural or social event, such as those involving live music, food trucks, and side vendors, but would not include any practices identified by the SADC as agricultural management practices, such as on-farm direct marketing facilities, activities, and events.

The owner of preserved farmland that violates the provisions of the bill may be subject to a civil penalty of up to $250 for the first offense, up to $500 for the second offense, or up to $1,000 for a subsequent offense. Additionally, a second offense would result in a suspension from conducting special occasion events for a period of up to six months; a third offense would result in a suspension from conducting special occasion events for a period of at least six months but not more than one year; and a fourth or subsequent offense, would result in the suspension from conducting special occasion events for a period of at least one year but not more than two years. A person aggrieved by a violation of the requirements of the bill would be required to file a complaint with the applicable county agriculture development board, or with SADC in counties where no county board exists, prior to filing an action in court.

Lastly, the bill provides rulemaking authority to SADC. However, rules and regulations promulgated by SADC to effectuate the provisions of the bill would not take effect until approved by the State Board of Agriculture. The bill directs SADC to ensure that the rules and regulations provide that the holding of a special occasion event on preserved farmland would not (1) interfere with any agricultural deed restrictions for farmland preservation purposes on the preserved farmland, or (2) result in the use of preserved farmland for primarily non-agricultural or horticultural purposes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in a marginal increase in State and local expenditures.

The bill gives rulemaking authority to the SADC, but rules and regulations promulgated by SADC to effectuate the provisions of the bill would not take effect until approved by the State Board of Agriculture. This requirement will impose additional administrative tasks on the SADC and State Board of Agriculture. However, the SADC has adopted similar rules and regulations to create a program to allow special occasion events to be held at wineries on preserved farmland, so it is likely that these tasks can be subsumed within existing staff at little or no marginal cost. The OLS notes, though, that this bill applies to approximately 2,600 preserved farms in the State, whereas the rules and regulations for the other program applied to a small subset of these farms (i.e. farms with wineries).

The OLS notes that there may be minimal recurring revenue gains from the civil penalties associated with the bill. The bill establishes civil penalties of up to $250 for a first offense, up to $500 for a second offense, and up to $1,000 for a subsequent offense for an owner of preserved farmland who violates the provisions of the bill or any rule or regulation adopted pursuant thereto. Such revenue gains may partially offset the expenditure increases associated with the bill.

In addition to the civil penalties associated with the bill, the SADC would be required to notify the appropriate CADB whenever it suspends an owner of preserved farmland from conducting

special occasion events. Such notification requirements would impose additional administrative workload onto the SADC, which is likely to be subsumed within existing staff duties.

The OLS notes that, to the extent that the special occasion events would require local enforcement of municipal ordinances, there may be a marginal increase in municipal expenditures.

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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.).