

ASSEMBLY, No. 5118

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 10, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman ADAM J. TALIAFERRO

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Establishes “Agro-based Cluster Development Program.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the “Agro-based Cluster Development
2 Program” and supplementing P.L.1974, c.80 (C.34:1B-1 et seq.)
3 and P.L.1966, c.30 (C.54:32B-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. As used in this section:

9 “Agro-based” means to be directly related to: the production,
10 cultivation, growing, or harvesting of agricultural or horticultural
11 products; the raising of domestic livestock, bees, fur-bearing
12 animals, dairy-producing animals, and poultry; food processing;
13 agricultural machinery and equipment; and agricultural-related
14 transportation and distribution.

15 “Authority” means the New Jersey Economic Development
16 Authority established pursuant to section 4 of P.L.1974, c.80
17 (C.34:1B-4).

18 “Cluster” means an area within which a concentration of
19 producers and institutions engage in the food and agricultural sector
20 of the State’s economy, and develop and maintain connections
21 among themselves and supporting organizations to address common
22 challenges and pursue common opportunities.

23 “Department” means the Department of Agriculture established
24 pursuant to R.S.4:1-1.

25 “Program” means the Agro-based Cluster Development Program
26 established pursuant to P.L. , c. (C.) (pending before the
27 Legislature as this bill).

28 b. The “Agro-based Cluster Development Program” is
29 established within the New Jersey Economic Development
30 Authority for the purpose of encouraging the development of agro-
31 based clusters within New Jersey. The purpose of the program is to
32 strengthen the communication among producers and institutions
33 within a specific area, to enhance access to markets and information
34 for agro-based producers and institutions within the cluster, and to
35 include collective marketing and promotion of the agricultural
36 products within a cluster.

37 c. The New Jersey Economic Development Authority, in
38 consultation with the Department of Agriculture, shall establish
39 criteria for the designation of agro-based clusters, which shall
40 include but not be limited to identifying:

41 (1) the agricultural product or products produced within the
42 cluster;

43 (2) farmers and businesses engaged in the production and
44 distribution of one or more agricultural products in a cluster; and

45 (3) institutions and markets to enhance production and
46 distribution of a cluster’s agricultural products.

47 d. The authority shall create an application form and procedures
48 for municipalities and counties to apply, individually or jointly, for

- 1 designation of an area to become an agro-based cluster. An
2 application shall:
- 3 (1) identify the geographic boundaries of the proposed agro-
4 based cluster;
 - 5 (2) identify plans to enhance coordination between program
6 participants to increase the production and distribution of the
7 cluster's agricultural product or products;
 - 8 (3) identify plans to improve the existing infrastructure and
9 research related to the cluster's agricultural product or products;
 - 10 (4) identify one or more higher education institutions that may
11 provide research and development assistance for farmers and agro-
12 based businesses within the proposed agro-based cluster;
 - 13 (5) include information on the establishment and maintenance of
14 production and logistic agro-based cluster planning and monitoring
15 systems;
 - 16 (6) include an inventory of existing farms, businesses, and
17 markets engaged in agricultural production and distribution related
18 to the cluster;
 - 19 (7) include a plan to enhance agricultural production and
20 distribution within the region, which may include collective
21 marketing, promotion, branding, and other business strategies; and
 - 22 (8) include a plan detailing compliance with quality and safety,
23 environmental, and social standards.
- 24 e. The authority and the department shall publicize the program
25 and publish links to the application form and procedure on their
26 respective Internet websites.
- 27 f. A municipality may apply to the authority for designation of
28 all or part of the municipality as an agro-based cluster. Two or
29 more municipalities may jointly apply for designation of an area as
30 an agro-based cluster. A county may apply for designation for
31 either a part or for the entire county to be designated as an agro-
32 based cluster. Two or more counties may jointly apply for
33 designation as an agro-based cluster. An application shall not be
34 submitted unless authorized by adoption of a resolution of the
35 governing body of the municipality, county, or, in the event of a
36 joint application among municipalities, the adoption of parallel
37 resolutions by the governing bodies of the municipalities.
- 38 g. Within 60 calendar days of its receipt of a complete
39 application for designation of an area as an agro-based cluster, the
40 authority shall approve, conditionally approve, or deny the
41 application. Upon approval by the authority of an area as an agro-
42 based cluster, the cluster shall be permitted to use the name selected
43 during the application process in the subsequent marketing of the
44 cluster.
- 45 h. The authority shall establish and administer a revolving loan
46 program for municipalities and counties participating in the
47 program for the purpose of funding plans contained in an

1 application submitted to the authority pursuant to subsection d. of
2 this section.

3 i. Prior to disbursing loan amounts to a municipality or county
4 under this section, the authority and the governing body of each
5 participating municipality and county shall enter into a loan
6 agreement setting forth terms and conditions required by the
7 authority that are consistent with the purposes of P.L. , c.
8 (C.) (pending before the Legislature as this bill). The
9 provisions of the loan agreement shall include loan repayment
10 responsibilities for loan proceeds received under the loan program.

11 j. The authority may, in its discretion, require a municipality or
12 county that receives a loan authorized pursuant to P.L. , c.
13 (C.) (pending before the Legislature as this bill) to submit an
14 annual audited financial statement to the authority.

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16 2. The authority, in consultation with the department, may
17 adopt, pursuant to the "Administrative Procedure Act," P.L.1968,
18 c.410 (C.52:14B-1 et seq.), rules and regulations necessary for the
19 implementation of P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21

22 3. Receipts from sales of any agro-based product, technology
23 that is patented and developed, or design that is patented and
24 developed within an agro-based cluster under the "Agro-based
25 Cluster Development Program" established pursuant to section 1 of
26 P.L. , c. (C.) (pending before the Legislature as this bill)
27 shall be exempt from the tax imposed under the "Sales and Use Tax
28 Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

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30 4. This act shall take effect immediately; provided, however, that
31 section 3 shall apply to receipts received from all sales made and
32 services rendered on or after the first day of the fourth month next
33 following the date of enactment.

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36 STATEMENT

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38 This bill establishes the "Agro-based Cluster Development
39 Program" within the New Jersey Economic Development Authority
40 (EDA).

41 The purpose the program is to strengthen the communication
42 among producers and institutions within a specific area, to enhance
43 access to markets and information for agro-based producers and
44 institutions within the cluster, and to include collective marketing
45 and promotion of the agricultural products within a cluster.

46 The EDA, in consultation with the Department of Agriculture
47 (department), would establish criteria for the designation of agro-

1 based clusters, which would include but not be limited to
2 identifying:

3 (1) the agricultural product or products produced within the
4 cluster;

5 (2) farmers and businesses engaged in the production and
6 distribution of one or more agricultural products in a cluster; and

7 (3) institutions and markets to enhance production and
8 distribution of a cluster's agricultural products.

9 Under the bill, the EDA would create an application form and
10 procedure for either municipalities or counties to apply for
11 designation of an area to become an agro-based cluster. An
12 application would:

13 (1) identify the geographic boundaries of the proposed agro-
14 based cluster;

15 (2) identify plans to enhance coordination between program
16 participants to increase the production and distribution of the
17 cluster's agricultural product or products;

18 (3) identify plans to improve the existing infrastructure and
19 research related to the cluster's agricultural product or products;

20 (4) identify one or more higher education institutions that would
21 provide research and development assistance for farmers and agro-
22 based businesses within the proposed agro-based cluster;

23 (5) include information on the establishment and maintenance of
24 production and logistic agro-based cluster planning and monitoring
25 systems;

26 (6) include an inventory of existing farms, businesses, and
27 markets engaged in agricultural production and distribution related
28 to the cluster;

29 (7) include a plan to enhance agricultural production and
30 distribution within the region, which would include collective
31 marketing, promotion, branding, and other business strategies; and

32 (8) include a plan detailing compliance with quality and safety,
33 environmental, and social standards.

34 Under the bill, the EDA and the department would publicize the
35 program and publish links to the application form and procedure, on
36 their respective Internet websites.

37 Under the bill, a municipality would apply to the EDA for
38 designation of all or part of the municipality as an agro-based
39 cluster. Two or more municipalities may jointly apply for
40 designation of an area as an agro-based cluster. A county may
41 apply for designation for either a part or for the entire county to be
42 designated as an agro-based cluster. Two or more counties may
43 jointly apply for designation as an agro-based cluster. An
44 application would not be submitted unless authorized by adoption
45 of a resolution of the governing body of the municipality, county,
46 or, in the event of a joint application among municipalities, the
47 adoption of parallel resolutions by the governing bodies of the
48 municipalities.

1 The bill provides that within 60 calendar days of its receipt of a
2 complete application for designation of an area as an agro-based
3 cluster, the EDA would approve, conditionally approve, or deny the
4 application. Upon approval by the EDA of an area as an agro-based
5 cluster, the cluster is permitted to use the name selected during the
6 application process in the subsequent marketing of the cluster.

7 Additionally, the EDA would establish and administer a
8 revolving loan program for municipalities and counties participating
9 in the program for the purpose of funding certain plans included as
10 a part of approve program applications. Prior to disbursing loan
11 amounts to a municipality or county, the authority and the
12 governing body of each participating municipality and county
13 would enter into a loan agreement setting forth terms and conditions
14 required by the EDA.