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.

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

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

1. a. As used in this section:

"Agro-based" means to be directly related to: the production, cultivation, growing, or harvesting of agricultural or horticultural products; the raising of domestic livestock, bees, fur-bearing animals, diary-producing animals, and poultry; food processing; agricultural machinery and equipment; and agricultural-related transportation and distribution.

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

"Cluster" means an area within which a concentration of producers and institutions engage in the food and agricultural sector of the State's economy, and develop and maintain connections among themselves and supporting organizations to address common challenges and pursue common opportunities.

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

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

b. The "Agro-based Cluster Development Program" is established within the New Jersey Economic Development Authority for the purpose of encouraging the development of agro-based clusters within New Jersey. The purpose of the program is to strengthen the communication among producers and institutions within a specific area, to enhance access to markets and information for agro-based producers and institutions within the cluster, and to include collective marketing and promotion of the agricultural products within a cluster.

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

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

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

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

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

designation of an area to become an agro-based cluster. An application shall:

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

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

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

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

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

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

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

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

e. The authority and the department shall publicize the program and publish links to the application form and procedure on their respective Internet websites.

f. A municipality may apply to the authority for designation of all or part of the municipality as an agro-based cluster. Two or more municipalities may jointly apply for designation of an area as an agro-based cluster. A county may apply for designation for either a part or for the entire county to be designated as an agro-based cluster. Two or more counties may jointly apply for designation as an agro-based cluster. An application shall not be submitted unless authorized by adoption of a resolution of the governing body of the municipality, county, or, in the event of a joint application among municipalities, the adoption of parallel resolutions by the governing bodies of the municipalities.

g. Within 60 calendar days of its receipt of a complete application for designation of an area as an agro-based cluster, the authority shall approve, conditionally approve, or deny the application. Upon approval by the authority of an area as an agro-based cluster, the cluster shall be permitted to use the name selected during the application process in the subsequent marketing of the cluster.

h. The authority shall establish and administer a revolving loan program for municipalities and counties participating in the program for the purpose of funding plans contained in an

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

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

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

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

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

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

STATEMENT

This bill establishes the “Agro-based Cluster Development Program” within the New Jersey Economic Development Authority (EDA).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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