LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2714

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: MARCH 25, 2021

SUMMARY

Synopsis: Authorizes special occasion events at certain farms on preserved farmland, under certain conditions.

Type of Impact: Annual increase in State and local expenditures.

Agencies Affected: State Agriculture Development Committee, county agriculture development boards, certain counties and 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 a marginal annual increase in State, county, and municipal expenditures. The bill imposes additional administrative tasks on the State Agriculture Development Committee (SADC), county agriculture development boards (CADBs), and certain counties and municipalities.

- The bill requires counties and municipalities that hold the development rights on preserved farmland to develop an application process by which persons can apply to hold special occasion events, to review applications that they receive, and to forward information about the applications annually to the SADC. These tasks can likely be subsumed within existing staff by some counties and municipalities, although those in which there are many farms that have been preserved may need to hire additional personnel to review the applications.

BILL DESCRIPTION

This bill would authorize commercial farms that are located on preserved farmland, and produce agricultural or horticultural products worth $5,000 or more annually, to hold special occasion events, subject to certain conditions.

Under the bill, a farm that produces agricultural or horticultural products worth between $5,000 and $100,000 annually may hold up to a maximum of 30 special occasion events per calendar year, of which four may have 250 guests or more in attendance. A farm that produces agricultural or horticultural products worth $100,000 or more annually may hold up to a maximum of 52 special occasion events per calendar year, of which 12 may have 250 guests or more in attendance. An event would be considered as a single special occasion event, even if the event lasts for more than one day, provided the event is marketed as a single event, occurs only on consecutive days; and does not last for more than three days.

A person holding a special occasion event during which 250 guests or more will be in attendance at any time during the event would be required to apply to the grantee of the farm (i.e. the entity to which the development rights of the farm have been transferred) for approval prior to holding a special occasion event, or if the grantee is the owner of the preserved farmland, the application would be made to the SADC for approval. Special occasion events during which fewer than 250 people will be in attendance as guests at any time would not need to receive approval, provided the owner or operator of the commercial farm complies with certain requirements set forth of the bill. The bill directs grantees to develop an application process for special occasion events during which 250 guests or more in attendance at any time during the event. Applications and approvals would also be required to comply with rules and regulations developed by the SADC.

The bill would also allow the SADC and the appropriate grantee to inspect preserved farms on which special occasion events are held, upon presentation of appropriate credentials during normal business hours or during a special occasion event, in order to determine compliance with the bill's provisions. In addition, the bill would allow the SADC or the grantee, upon reasonable cause, to order an audit of a farm to verify that it is in compliance with the bill's provisions.

Under the bill, an owner or operator of a commercial farm who violates the bill's provisions would be subject to a civil administrative penalty of up to $250 for the first offense, up to $500 for the second offense, or up to $1,000 for a third and subsequent offense. In addition, an owner or operator who repeatedly violates the bill's provisions would be prohibited from holding special occasion events on the preserved farm for a period of time that increases along with the number of violations.

The bill would require the SADC to submit an annual report to the Governor and the Legislature that includes the number of special occasion events held that year, the number of audits conducted, the amount of penalties collected, and a description of any problems associated with the holding of special occasion events reported by municipalities, county agriculture development boards, and nonprofit organizations that are grantees. Finally, the bill would require the SADC to adopt rules and regulations to implement the provisions of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Executive has not submitted a formal fiscal note for this bill. However, the SADC has informed the OLS that it estimates that one new full-time employee will be required to appropriately manage the new workload. The SADC estimates the new staff member would receive a salary of approximately $75,000 plus benefits.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill may result in a marginal annual increase in State, county, and municipal expenditures. The bill imposes additional administrative tasks on the SADC, CADBs, and certain counties and municipalities. For example, the bill requires the SADC to review certain applications for holding special occasion events, to compile and submit annual reports to the Governor and the Legislature, and to adopt rules and regulations to implement the bill's provisions. The latter administrative burden will likely be mitigated by the fact that the SADC has adopted rules to implement a similar program, namely the pilot program to allow special occasion events at wineries on preserved farmland. As noted above, the SADC estimates that it will require one additional staff member at a yearly salary of approximately $75,000 plus benefits to handle the additional administrative tasks imposed by the bill, which the OLS finds reasonable. The bill also provides for the SADC to enforce the bill's provisions and it gives the SADC and certain counties and municipalities the authority to inspect farms that have applied to hold special occasion events for compliance with the bill's provisions. However, the amount of money or personnel utilized for enforcement and inspection is discretionary, and may vary from year to year.

The bill requires counties and municipalities that hold the development rights of preserved farmland to develop an application process by which persons can apply to hold special occasion events, to review applications that they receive, and to forward information about the applications annually to the SADC. These tasks can likely be subsumed within existing staff by some counties and municipalities, although those in which there are many farms that have been preserved may need to hire additional personnel to review the applications. Finally, to the extent that the special occasion events authorized by the bill would require local enforcement of municipal ordinances, there may be a marginal increase in municipal expenditures. There may also be marginal recurring revenue gains from the civil administrative penalties associated with the bill.

Section:	*Environment, Agriculture, Energy, and Natural Resources*
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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.).