

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 3916**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 8, 2023

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 3916.

As amended and reported, this bill provides that the lessees of farmland would be eligible to apply for deer fencing grants under the State Agriculture Development Committee's farmland stewardship deer fencing grant program and the Department of Agriculture's matching grant program. To qualify for a grant, the bill requires each lessee of farmland to obtain written approval from the owner of the land on which the deer fencing would be installed.

Additionally, the bill amends several provisions of law governing the Department of Agriculture's matching grant program, which provides funding to certain farmers for the costs of deer fencing. Specifically, the bill increases the maximum value of the grant to an amount equal to 50 percent of the eligible project costs, not to exceed \$50,000 per applicant. Currently, each applicant may receive a grant of up to \$200 per acre, not to exceed a total of \$20,000 per application for up to 50 percent of eligible project costs.

The bill also revises certain conditions placed upon the recipients of funding under the Department of Agriculture's matching grant program. Under current law, when the owner or operator of a farm receives funding under the program, the owner or operator is required to enter into an agreement with the Department of Agriculture to ensure that the land is retained for agricultural or horticultural purposes for the eight-year period following the receipt of the grant. This agreement is currently required to be filed as a deed restriction with the municipal tax assessor and recorded with the county clerk in the same manner as a deed. If the owner or operator of the farm fails to retain the land for agricultural or horticultural purposes during this period, current law requires the owner or operator to repay the grant to the Department of Agriculture on a pro rata basis.

Under the bill, this agreement would no longer be filed as a deed restriction with the municipal tax assessor and recorded with the county clerk in the same manner as a deed. Instead, the bill requires the Department of Agriculture to retain a copy of the agreement.

Additionally, the bill clarifies that if the owner, operator, or lessee of a farm fails to retain the land for agricultural or horticultural

purposes during the eight-year period following the receipt of the grant, the recipient would be required to repay the grant to the Department of Agriculture on a pro rata basis, rounded to the nearest month, proportional to the total grant amount.

COMMITTEE AMENDMENTS:

The committee amendments revise the calculation of the required grant repayments under the Department of Agriculture's matching grant program when the owner, operator, or lessee of a farm fails to retain the land for agricultural or horticultural purposes during the eight-year period following the receipt of the grant. Specifically, the amendments provide that if the violation occurred during any part of the eight-year period, the repayment amount would be calculated on a pro rata basis, rounded to the nearest month, proportional to the total grant amount. As introduced, the bill would have required the repayment amount to equal 100 percent, 75 percent, or 50 percent of the total grant award, depending on when the violation occurred.

The committee amendments also provide that the Department of Agriculture is permitted to adopt rules and regulations to implement the matching grant program. Under current law, the Department of Agriculture is required to adopt these rules and regulations.

Additionally, the committee amendments provide technical changes to the bill.