

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 757

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 757.

This bill authorizes certain commercial farms that are located on preserved farmland to hold special occasion events, subject to certain conditions. Under the bill, a farm that produces agricultural or horticultural products worth between \$10,000 and \$100,000 annually may hold up to a maximum of 15 special occasion events per calendar year, of which two 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 26 special occasion events per calendar year, of which six may have 250 guests or more in attendance.

The bill establishes various restrictions on the special occasion events. Under the bill, a special occasion event is required to: (1) not interfere with the use of the preserved farmland for agricultural or horticultural production; (2) not cause a significant and direct negative impact to any surrounding properties; (3) be designed to protect the agricultural resources of the land and ensure that the land can be readily returned to productive agricultural or horticultural use after the event; (4) not violate any applicable State and local laws, regulations, resolutions, and ordinances, including those concerning alcohol, food safety, litter, noise, solid waste, traffic, and the protection of public health and safety; and (5) not involve the construction of any new structures or water or sewer utilities on the preserved farmland.

The bill requires the owner or operator of the commercial farm to apply to the grantee of the farm, which means the entity to which the development rights of the farm were conveyed pursuant to the “Right to Farm Act,” or other applicable law, for approval prior to holding a special occasion event. In cases where the grantee is also the owner of the preserved farmland, the owner is required to apply to the State Agriculture Development Committee (SADC) for approval.

The bill directs grantees to develop an application process for the approval to hold special events. The bill imposes certain minimum requirements on this application, which include allowing the grantee or the SADC, as applicable, to determine the value of agricultural goods produced by the farm, the number of special occasion events already held on the farm that year, and the area of the preserved farmland to be used for the special occasion event.

The bill authorizes a grantee or the SADC, as applicable, upon the effective date of the bill, and prior to the adoption by the SADC of rules and regulations, to accept applications under the bill and approve applications for special occasion events that comply with the provisions of the bill. Upon the adoption of rules and regulations by the SADC pursuant to the bill, applications and approvals are required to comply with those rules and regulations.

The bill also allows the SADC and the appropriate grantee to inspect a commercial farm that has received approval for a special occasion event, without prior notice, in order to verify that it is in compliance with the bill's provisions. In addition, the bill allows 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 is subject to a civil administrative penalty of up to \$2,500 for the first offense, up to \$10,000 for the second offense, or up to \$25,000 for a third and subsequent offense. In addition, an owner or operator who repeatedly violates the bill's provisions may be prohibited from holding special occasion events on the preserved farm for a period of time that increases in accordance the number of violations.

Finally, the bill requires 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. The bill requires the SADC to adopt rules and regulations to implement the provisions of the bill.

FISCAL IMPACT:

The Office of Legislative Services estimates that the bill will result in an annual State cost increase of approximately \$120,788 based on an informal salary estimate provided by the Administration. Annual county and municipal expenditures are also likely to increase by a marginal amount.

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 State Agricultural Development Committee (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.