

SENATE, No. 2845

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 3, 2013

Sponsored by:

Senator DONALD NORCROSS

District 5 (Camden and Gloucester)

Senator KEVIN J. O'TOOLE

District 40 (Bergen, Essex, Morris and Passaic)

Co-Sponsored by:

Senator Beach

SYNOPSIS

Replaces NJ Wine Industry Advisory Council with NJ Wine Board and establishes new duties and authorizes revenue-producing activities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/14/2013)

1 AN ACT concerning the promotion of wine, and amending and
2 supplementing P.L.1985, c.233 and repealing section 3 of
3 P.L.1985, c.233.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.1985, c.233 (C.4:10-76) is amended to read
9 as follows:

10 2. a. There is established in the Department of Agriculture the
11 "New Jersey Wine Promotion Account," hereinafter referred to as
12 the "account." All monies received in this account shall be
13 **【expended by the Secretary of Agriculture】** used for :

14 (1) research and development concerning the viticultural and
15 wine-making processes in the State **【and for】** ;

16 (2) the promotion of New Jersey wine, consistent with the
17 recommendations of the New Jersey Wine **【Industry Advisory**
18 **Council】** Board created pursuant to section 3 of **【P.L.1985, c.233**
19 **(C.4:10-77)】** P.L. , c. (C.) (pending before the Legislature as
20 this bill);

21 (3) payments for services rendered in implementing P.L.1985,
22 c.233, such as payments for products, equipment, materials or other
23 goods; and

24 (4) any other uses necessary for carrying out the provisions of
25 P.L.1985, c.233 (C.4:10-76 et seq.) .

26 b. The account shall be credited annually, in an appropriation
27 by law, with an amount equal to **【\$0.47】** \$0.15 per gallon on all
28 sales of cider taxed pursuant to R.S.54:43-1, and \$0.875 per gallon
29 on all sales of wines, vermouth and sparkling wines sold by plenary
30 winery and farm winery licensees licensed pursuant to R.S.33:1-10.

31 c. The account shall also be credited with any monies made
32 available to it from (1) the General Fund or any non-State public or
33 private source, (2) any revenue-producing activity authorized
34 pursuant to section 5 of P.L. , c. (C.) (pending before the
35 Legislature as this bill), and (3) any interest or other investment
36 income earned on monies in the account .

37 d. The secretary shall include with the annual budget request
38 for the department a request for funds sufficient to carry out the
39 purposes and intent of P.L.1985, c.233 (C.4:10-76 et seq.).

40 e. Expenditures and disbursements from the account shall be
41 made by the Secretary of Agriculture upon written request signed
42 by the duly authorized officer of the New Jersey Wine Board,
43 established pursuant to section 3 of P.L. , c. (C.) (pending
44 before the Legislature as this bill).

45 f. The New Jersey Wine Board shall meet and evaluate any

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 proposal requesting funding from the account and submitted to the
2 board. Any recommendation for funding, to be used for any
3 purpose set forth in subsection a. of this section, shall be made by
4 recorded vote. At least 10 percent of the funding allocated by the
5 board annually, excluding monies received for revenue-producing
6 activities authorized pursuant to section 5 of P.L. , c. (C.)
7 (pending before the Legislature as this bill), shall be expended for
8 projects that advance viticulture and enological research concerning
9 the growing of grapes and the production of wine in New Jersey.

10 g. Monies in the account shall be used exclusively for the
11 purposes set forth in this act.

12 (cf: P.L.2001, c.323, s.1)

13

14 2. Section 4 of P.L.1985, c.233 (C.4:10-78) is amended to read
15 as follows:

16 4. The Director of the Division of Taxation shall certify by
17 March 1, 1986 and by March 1 annually thereafter to the New
18 Jersey Wine **【Industry Advisory Council】** Board the number of
19 taxable gallons of wine sold by plenary winery and farm winery
20 licensees during the preceding taxable year.

21 (cf: P.L.1985, c.233, s.4)

22

23 3. (New section) a. There is established in the Department
24 of Agriculture the New Jersey Wine Board. The purpose of the
25 board is to foster the development of the New Jersey wine industry
26 by developing marketing, advertising and other programs designed
27 to promote the orderly growth of the industry, expand viticulture
28 and enological research, increase education about the industry, and
29 promote the production of grapes and wine in the State.

30 b. The New Jersey Wine Board shall consist of eight members,
31 to be selected and qualified as follows:

32 (1) the Secretary of Agriculture, or the secretary's designee,
33 who shall serve ex officio and as a nonvoting member;

34 (2) the Director of the Division of Travel and Tourism in the
35 Department of State, or the director's designee, who shall serve ex
36 officio and as a nonvoting member;

37 (3) one member who shall be recommended by the New Jersey
38 Farm Bureau and appointed by the Governor with the advice and
39 consent of the Senate;

40 (4) one member who shall be recommended by the Garden State
41 Wine Growers Association and appointed by the Governor with the
42 advice and consent of the Senate;

43 (5) one member who shall be an agricultural expert with
44 Rutgers, the State University of New Jersey, and appointed by the
45 Governor with the advice and consent of the Senate; and

46 (6) three members of the public, appointed by the Governor with
47 the advice and consent of the Senate, who shall be holders of a
48 plenary winery license or a farm winery license or shall be a grape

1 grower or viticulturist, and of whom one shall be from the northern
2 part of the State, one shall be from the central part of the State, and
3 one shall be from the southern part of the State. Prior to appointing
4 a member of the public pursuant to this paragraph, the Governor
5 shall request and consider any recommendations from the general
6 public for membership, submitted to the Governor at least 90 days
7 before the commencement of any term of appointment.

8 c. The members of the board appointed pursuant to paragraphs
9 (3) through (6) of subsection b. of this section shall serve for a term
10 of four years, except that of those first appointed, two shall serve
11 for a term of two years, two shall serve for a term of three years,
12 and two shall serve for a term of four years. Any member of the
13 board appointed pursuant to paragraphs (3) through (6) of
14 subsection b. of this section shall not be appointed to serve more
15 than two consecutive four-year terms. Any vacancy or
16 reappointment shall be filled in the same manner as the original
17 appointment. A vacancy occurring other than by expiration of a
18 term shall be filled in the same manner as the original appointment
19 but for the unexpired term only, and shall not constitute a term in
20 determining the members eligibility for reappointment.

21 d. The board shall organize as soon as possible after the
22 appointment of its members, and shall elect annually a chair and
23 vice-chair from their number, and may select a secretary and
24 treasurer who need not be a member of the board. The chair of the
25 board shall be its presiding officer and the vice-chair shall serve as
26 chair in the absence of the chair.

27 e. A majority of the entire board shall constitute a quorum for
28 the transaction of business. Action may be taken and motions and
29 resolutions adopted by the board at any meeting thereof by the
30 affirmative vote of two-thirds of the members present. The board
31 shall meet at least four times each year and shall meet at such times
32 and places as may be determined by the chair, or at the request of a
33 majority of the members.

34 f. Members of the board shall serve without compensation but
35 the members appointed pursuant to paragraphs (3) through (6) of
36 subsection b. of this section may be reimbursed for reasonable and
37 necessary expenses incurred in the performance of their duties with
38 funds available from the New Jersey Wine Promotion Account
39 established pursuant to section 2 of P.L.1985, c.233 (C.4:10-76).

40 g. The board shall be entitled to the assistance and service of
41 the employees of any State, county or municipal department, board,
42 bureau, commission or agency, or a public institution of higher
43 education in the State, as it may require and as may be available to
44 it for its purposes. The Department of Agriculture shall provide
45 primary staff support to the board.

1 4. (New section) The New Jersey Wine Board, established
2 pursuant to section 3 of P.L. , c. (C.) (pending before the
3 Legislature as this bill), shall have the power and duty to:

4 a. receive and dispense funds or donations from the New
5 Jersey Wine Promotion Account;

6 b. enter into contracts for the purpose of developing new or
7 improved markets or marketing methods for wine and grape
8 products;

9 c. contract for research services to improve viticulture and
10 enological practices in New Jersey;

11 d. partner or enter into agreements with any local, State, or
12 national organization or agency engaged in education for the
13 purpose of disseminating information on wine or other viticulture
14 projects;

15 e. partner or enter into contracts with private or public entities
16 for the purpose of developing marketing, advertising and other
17 programs designed to promote the orderly growth of New Jersey's
18 wine industry;

19 f. rent or purchase office or laboratory space, land, equipment,
20 and supplies as necessary to carry out its duties;

21 g. employ such personnel as may be required to carry out its
22 duties;

23 h. acquire any licenses or permits necessary for the
24 performance of the powers and duties of the board;

25 i. cooperate with other state, regional, national, and
26 international organizations in research, education, and promotion of
27 the growing of grapes and the production of wine in the State and to
28 expend moneys from the New Jersey Wine Promotion Account for
29 such purposes;

30 j. adopt a general statement of policy and procedures; and

31 k. prepare an annual report, including a statement of total
32 receipts and disbursements for the year, and submit a copy thereof
33 to the Secretary of Agriculture and, pursuant to section 2 of
34 P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

35

36 5. (New section) a. To defray the costs of performing its
37 duties, as set forth in section 4 of P.L. , c. (C.) (pending
38 before the Legislature as this bill), the New Jersey Wine Board may
39 engage in educational, research-based, or promotional revenue-
40 producing activities related to growing grapes or producing wine in
41 New Jersey, which may include but need not be limited to:

42 (1) publishing materials with printed advertisements;

43 (2) selling printed materials;

44 (3) renting exhibit space at meetings or other events; and

45 (4) charging entrance or participation fees.

46 b. Any funds received pursuant to a revenue-producing activity
47 authorized pursuant to subsection a. of this section shall be
48 deposited by the board into the New Jersey Wine Promotion

1 Account, established pursuant to section 2 of P.L.1985, c.233
2 (C.4:10-76).

3

4 6. Section 3 of P.L.1985, c.233 (C.4:10-77) is repealed.

5

6 7. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill would replace the New Jersey Wine Industry Advisory
12 Council with the New Jersey Wine Board, and empower the board
13 with additional responsibilities, such as engaging in revenue-
14 producing activities.

15 Under current law, there exists in the Department of Agriculture
16 the "New Jersey Wine Promotion Account" ("account"). The bill
17 provides that funds in the account would be used for: research and
18 development concerning the viticultural and wine-making processes
19 in the State; promotion of New Jersey wine, consistent with the
20 recommendations of the board; payments for services rendered,
21 such as payments for products, equipment, materials or other goods
22 supplied; and any other uses necessary for carrying out the
23 provisions of P.L.1985, c.233. Currently, the account is credited
24 annually, in an appropriation by law, with an amount equal to \$0.47
25 per gallon on all sales of wines, vermouth and sparkling wines sold
26 by plenary winery and farm winery licensees. The bill would
27 increase the amount credited to the account to \$0.875 per gallon on
28 all sales of wines, vermouth and sparkling wines, and further
29 provide that the account would also be credited with any interest or
30 other investment income earned on monies in the account and \$0.15
31 per gallon on all sales of alcoholic cider.

32 The bill would also provide the board with the authority to
33 engage in educational, research-based, or promotional revenue-
34 producing activities related to growing grapes or producing wine in
35 New Jersey, which may include but need not be limited to:
36 publishing materials with printed advertisements; selling printed
37 materials; renting exhibit space at meetings or other events; and
38 charging entrance or participation fees. The revenues received from
39 such activities would be credited to the account. Furthermore, the
40 board would meet to evaluate any proposal for funding from the
41 account, and at least 10% of the funding allocated by the board
42 annually, excluding monies received for revenue-producing
43 activities, would be expended for projects that advance viticulture
44 and enological research concerning the growing of grapes and the
45 production of wine in New Jersey. Funds in the account are to be
46 used exclusively for the purposes set forth in this bill.

47 The New Jersey Wine Board would be tasked with fostering the
48 development of the New Jersey wine industry by developing

1 marketing, advertising and other programs designed to promote the
2 orderly growth of the industry, expanding viticulture and enological
3 research, increasing education about the industry, and promoting
4 the production of grapes and wine in the State. The board would
5 consist of the Secretary of Agriculture and the Director of the
6 Division of Travel and Tourism in the Department of State, or their
7 respective designees, both of whom would serve ex officio and as
8 nonvoting members, and six members appointed by the Governor
9 with the advice and consent of the Senate, as follows: one member
10 recommended by the New Jersey Farm Bureau; one member
11 recommended by the Garden State Wine Growers Association; one
12 member who is an agricultural expert with Rutgers, the State
13 University of New Jersey; and three members of the public who
14 hold a plenary winery license or a farm winery license or grow
15 grapes or are a viticulturist, and of whom one is to be from each of
16 the three regions in the State – northern, central, and southern. A
17 majority of the entire board would constitute a quorum for the
18 transaction of business, but any action by the board would need an
19 affirmative vote of two-thirds of the members present. Section 4 of
20 the bill sets forth additional powers and duties of the board.

21 The bill would also repeal section 3 of P.L.1985, c.233 (C.4:10-
22 77), the section of law that established the New Jersey Wine
23 Industry Advisory Council.