

ASSEMBLY, No. 4274

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED OCTOBER 20, 2016

Sponsored by:

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblyman BOB ANDRZEJCZAK

District 1 (Atlantic, Cape May and Cumberland)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman ADAM J. TALIAFERRO

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Requires EDA, in consultation with Department of Agriculture, to establish loan program for certain vineyard and winery capital expenses.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/13/2017)

1 AN ACT concerning loans to vineyards and wineries and
2 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).

3

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

6

7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 "Authority" shall have the same meaning as provided in section 3
10 of P.L.1974, c.80 (C.34:1B-3).

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

13 "Qualified capital expense" means all expenditures made by an
14 eligible vineyard or winery for land acquisition or improvement,
15 infrastructure acquisition or modernization, and the purchase or
16 modernization of machinery and equipment, including:

- 17 a. barrels;
- 18 b. bins;
- 19 c. bottling equipment;
- 20 d. canopy management machines;
- 21 e. capsuling equipment;
- 22 f. chemicals;
- 23 g. corks;
- 24 h. crushers;
- 25 i. deer control fencing;
- 26 j. destemmers;
- 27 k. fermenters or other recognized fermentation devices;
- 28 l. fertilizer and soil amendments;
- 29 m. filters;
- 30 n. fruit harvesters;
- 31 o. fruit plants;
- 32 p. hoses;
- 33 q. irrigation equipment;
- 34 r. labeling equipment;
- 35 s. lugs;
- 36 t. mowers;
- 37 u. poles;
- 38 v. posts;
- 39 w. presses;
- 40 x. pruning equipment;
- 41 y. pumps;
- 42 z. refractometers;
- 43 aa. refrigeration equipment;
- 44 bb. seeders;
- 45 cc. soil;
- 46 dd. small tools;
- 47 ee. tanks;
- 48 ff. tractors;

- 1 gg. vats;
- 2 hh. weeding and spraying equipment;
- 3 ii. wine tanks;
- 4 jj. wire; and
- 5 kk. any other items as approved by the authority in consultation
- 6 with the department.

7 “Vineyard” means agricultural lands located in the State
8 consisting of at least 1 contiguous acre dedicated to the growing of
9 grapes or other fruit that are used or are intended to be used in the
10 production of wine by a winery as well as any other plants or other
11 improvements located thereon.

12 “Winery” means a commercial farm where the owner or operator
13 of the commercial farm has been issued and is operating in
14 compliance with a plenary winery license or farm winery license
15 pursuant to R.S.33:1-10.

16
17 2. a. The New Jersey Economic Development Authority, in
18 consultation with the Department of Agriculture, shall maintain and
19 administer a loan program and application process for the purpose
20 of providing loans to eligible vineyards or wineries to pay for
21 qualified capital expenses.

22 b. The authority, in consultation with the department, shall
23 provide a loan to an eligible vineyard or winery to pay for qualified
24 capital expenses. A loan amount shall be no less than \$10,000 and
25 no greater than \$100,000 to each eligible vineyard or winery, bear a
26 rate of interest between three and five percent, and shall be
27 repayable over a term of up to ten years, as determined by the
28 authority and department. A vineyard or winery or an existing
29 winery or vineyard that plans to use funds from the prospective loan
30 to acquire more property in order to expand its business shall be
31 eligible for higher loan amounts with lower interest rates as
32 determined by the authority and department.

33 c. A loan to an eligible vineyard or winery authorized under
34 P.L. , c. (C.) (pending before the Legislature as this bill)
35 shall be made pursuant to a loan agreement with the authority and
36 shall contain any terms and conditions considered appropriate by
37 the authority that are consistent with the purposes of
38 P.L. , c. (C.) (pending before the Legislature as this bill).
39 The provisions of the loan agreement shall include, but not be
40 limited to, a statement of an eligible vineyard or winery
41 proportional shares of ownership, its equipment usage and
42 maintenance responsibilities, and its loan repayment responsibilities
43 for any loan proceeds received under the loan program.

44 d. The authority may, in its discretion, require an eligible
45 vineyard or winery that receives a loan authorized pursuant to
46 P.L. , c. (C.) (pending before the Legislature as this bill) to
47 submit an annual audited financial statement to the authority in

1 order to ensure the continued viability of all vineyard or winery
2 operations.

3 e. The authority may, either through the adoption of rules and
4 regulations, or through the terms of the loan agreement made
5 pursuant to subsection c. of this section, establish terms governing
6 the incidence of default by an eligible vineyard or winery that
7 receives a loan under the program administered pursuant to P.L. ,
8 c. (C.) (pending before the Legislature as this bill).

9
10 3. The authority, in consultation with the department, may
11 adopt rules and regulations, pursuant to the "Administrative
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as may be
13 necessary to effectuate the purposes of P.L. , c. (C.)
14 (pending before the Legislature as this bill).

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16 4. This act shall take effect immediately.

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19 STATEMENT

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21 This bill requires the New Jersey Economic Development
22 Authority (EDA), in consultation with the Department of
23 Agriculture (department), to establish a loan program and
24 application process for the purpose of providing loans to eligible
25 vineyards or wineries to pay for "qualified capital expenses," as that
26 term is defined in the bill.

27 Under the bill, the EDA, in consultation with the department, is
28 to provide a loan to an eligible vineyard or winery to pay for
29 qualified capital expenses. The loan amount is to be no less than
30 \$10,000 and no greater than \$100,000 to each eligible vineyard or
31 winery, bear a rate of interest between three and five percent, and
32 be repayable over a term of up to ten years, as determined by the
33 authority and department. A new vineyard or winery or an existing
34 winery or vineyard that plans to use funds from the prospective loan
35 to acquire more property in order to expand its business is to be
36 eligible for higher loan amounts with lower interest rates as
37 determined by the authority and department.

38 Under the bill, "vineyard" means agricultural lands located in the
39 State consisting of at least 1 contiguous acre dedicated to the
40 growing of grapes or other fruit that are used or are intended to be
41 used in the production of wine by a winery as well as any other
42 plants or other improvements located thereon. "Winery" means a
43 commercial farm where the owner or operator of the commercial
44 farm has been issued and is operating in compliance with a plenary
45 winery license or farm winery license pursuant to R.S.33:1-10.