

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3465

STATE OF NEW JERSEY

DATED: MARCH 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3465.

This bill directs the Department of Agriculture (department) to reimburse each enrolled dairy farmer in the State an amount equal to the annual premium paid by that farmer for coverage under the federal Dairy Margin Coverage Program. The bill requires the department to adopt rules and regulations to establish procedures to reimburse enrolled dairy farmers the amount of the annual premium.

The bill also requires the department to include in its annual budget request to the Governor an amount necessary to pay the annual premiums for the federal Dairy Margin Coverage Program for all enrolled dairy farmers in the State.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill would result in a State expenditure increase from the General Fund of approximately \$140,000 annually. This represents the expected premiums to be paid by farmers for the federal Dairy Margin Coverage Program beginning in calendar year 2022, which would be reimbursed by the Department of Agriculture under the bill.

The OLS notes that the bill may also result in a one-time and recurring marginal expenditure increases by the Department of Agriculture to adopt rules and regulations to implement the bill and to administer the reimbursement program.