

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5478

STATE OF NEW JERSEY

DATED: MARCH 17, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5478.

This bill would authorize commercial farms that are located on preserved farmland, and produce agricultural or horticultural products worth \$5,000 or more annually, to hold special occasion events, subject to certain conditions.

The bill would establish various restrictions on the special occasion events. For example, under section 3 of the bill, a special occasion event: (1) may not interfere with the use of the preserved farmland for agricultural or horticultural production; (2) may not cause a significant and direct negative impact to any surrounding properties; (3) must 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) may 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) may not involve the construction of any new structures or water or sewer utilities on the preserved farmland.

Under the bill, a farm that produces agricultural or horticultural products worth between \$5,000 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 52 special occasion events per calendar year, of which 12 may have 250 guests or more in attendance. An event would be considered as a single special occasion event, even if the event lasts for more than one day, provided the event is marketed as a single event, occurs only on consecutive days; and does not last for more than three days.

A person holding a special occasion event during which 250 guests or more will be in attendance at any time during the event would be required to apply to the grantee of the farm, i.e. the entity to which the development rights of the farm have been transferred, for approval prior to holding a special occasion event, or if the grantee is the owner of the preserved farmland, the application would be made to the State Agriculture Development Committee

(SADC) for approval. Special occasion event during which fewer than 250 people will be in attendance as guests at any time would not need to receive approval, provided the owner or operator of the commercial farm complies with certain requirements set forth in section 4 of the bill. The bill directs grantees to develop an application process for special occasion events during which 250 guests or more in attendance at any time during the event, and the bill imposes certain minimum requirements on this application. For example, it requires the application to allow 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. In addition, the application process should allow an owner or operator to submit readily available existing data or documentation. The bill would authorize 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 pursuant to section 6 of the bill, 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 under the bill, applications and approvals would also be required to comply with those rules and regulations.

The bill would also allow the SADC and the appropriate grantee to inspect preserved farms on which special occasion events are held, upon presentation of appropriate credentials during normal business hours or during a special occasion event, in order to determine compliance with the bill's provisions. In addition, the bill would allow 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 would be subject to a civil administrative penalty of up to \$250 for the first offense, up to \$500 for the second offense, or up to \$1,000 for a third and subsequent offense. In addition, an owner or operator who repeatedly violates the bill's provisions would be prohibited from holding special occasion events on the preserved farm for a period of time that increases along with the number of violations.

The bill would require 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. Finally, the bill

would require the SADC to adopt rules and regulations to implement the provisions of the bill.

As reported by the committee, Assembly Bill 5478 is identical to Senate Bill 2714 (1R), which was amended and reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill may result in a marginal annual increase in State, county, and municipal expenditures. The bill imposes additional administrative tasks on the State Agriculture Development Committee (SADC), county agriculture development boards (CADBs), and certain counties and municipalities.

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 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.