SENATE, No. 1003

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED JANUARY 31, 2022

Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex)
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District 35 (Bergen and Passaic)

Co-Sponsored by:
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SYNOPSIS
Establishes NJEDA urban farming grant and loan program.

CURRENT VERSION OF TEXT
As introduced.
AN ACT establishing an urban farming grant and loan program, and
supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).

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

1. As used in P.L. , c. (C. ) (pending before the Legislature
as this bill):
   “Urban area” means a neighborhood in, or portion of, a city of the
first class, second class, third class, or fourth class in the State or a
neighborhood in, or portion of, a municipality eligible to receive
State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).
   “Urban farming” means farming in an urban area on land or in or
on a building or the rooftop thereof, where fresh produce or other
agricultural products are grown or raised for consumption as food by
traditional agricultural methods, in greenhouses using the appropriate
methods for these structures, or through the use of aquaponics,
hydroponics, or another nontraditional method of farming. “Urban
farming” shall not include the cultivation of marijuana for medicinal
or any other purpose.

2. a. The New Jersey Economic Development Authority, in
consultation with the Department of Agriculture and the Department
of Education, shall develop and administer an urban farming grant and
loan program to:
   (1) facilitate the acquisition of sites in urban areas available to be
used for urban farming;
   (2) maintain urban farming sites; and
   (3) support providing fresh produce and other agricultural
products from urban farming sites to school districts for use in public
school cafeterias throughout the State.

b. (1) An applicant for a grant or loan pursuant to this section
shall apply to the authority, in a form and manner as determined by
the authority, and shall include information as the authority
determines is necessary in consideration of the provisions of P.L. ,
c. (C. ) (pending before the Legislature as this bill).

(2) In order to receive a grant or loan from the authority pursuant
to P.L. c. (C. ) (pending before the Legislature as this bill),
the applicant shall meet the following requirements:
   (a) the applicant’s urban farming facility shall be located within
an urban area of the State;
   (b) the applicant shall demonstrate contractual relationships with
school districts in the State for the use of the fresh produce or other
agricultural products grown or raised by the applicant, or shall
demonstrate to the satisfaction of the authority how those
relationships will be established;
(c) the applicant shall have sufficient experience, training, and education in urban farming to establish and operate an urban farming facility; and

(d) the applicant shall demonstrate to the satisfaction of the authority that the applicant owns and operates an established urban farming facility may be established.

(3) In order for the authority to consider an application for a grant or loan available pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), an applicant shall, as a condition of receiving a grant or loan, commit to:

(a) materially and substantially participate in urban farming and the provision of fresh produce and other agricultural products to public schools in school districts in the State;

(b) use the grant or loan for urban farming only; and

(c) comply with any other criteria established by the authority pursuant to rules and regulations adopted pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

(4) The authority shall review each complete application and approve any application that meets the requirements of this section and the rules and regulations adopted pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

c. An urban farming grant under this section shall be made by the authority in the manner the authority establishes, subject to the terms and conditions considered appropriate by the authority that are consistent with the purposes of P.L. , c. (C. ) (pending before the Legislature as this bill) and with the rules and regulations adopted by the authority pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

d. An urban farming loan under this section shall be made pursuant to a loan agreement between the applicant and the authority, shall bear interest at rates and terms deemed appropriate by the authority, and shall contain other terms and conditions considered appropriate by the authority that are consistent with the purposes of P.L. , c. (C. ) (pending before the Legislature as this bill) and with the rules and regulations adopted by the authority pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

e. The authority may, in its discretion, require an applicant that receives a grant or a loan pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) to submit an audited financial statement to the authority in order to ensure the applicant has properly used the grant or loan, the applicant is providing fresh produce and other agricultural products to public schools in the State, and the applicant continues to operate a viable urban farming facility.

f. The authority may, either through the adoption of rules and regulations pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill), or through the terms of a grant or loan agreement made pursuant to subsection c. or d. of this section,
establish terms governing the incidence of default by an applicant that receives a grant or loan under the program, and in the case of a grant applicant, circumstances under which the grant may be converted to a loan after it is demonstrated that the applicant improperly used the grant.

g. The authority may participate in, and cooperate with, programs of the Consolidated Farm Service Agency in the United States Department of Agriculture, any Federal Land Bank, or any other agency or instrumentality of the federal government, or with any program of any other State agency, in the administration of the urban farming grant and loan program.

3. The New Jersey Economic Development Authority, in consultation with the Department of Agriculture and the Department of Education, shall adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B.1 et seq.), rules and regulations necessary to effectuate the purposes of P.L. , c. (C. ) (pending before the Legislature as this bill).

4. This act shall take effect immediately.

STATEMENT

This bill directs the New Jersey Economic Development Authority (EDA), in consultation with the Department of Agriculture and the Department of Education, to develop and administer an urban farming grant and loan program to: facilitate the acquisition of sites in urban areas available to be used for urban farming; maintain urban farming sites; and support providing agricultural products to public school cafeterias.

The bill requires demonstration of a contractual relationship with school districts in the State to provide fresh produce or other agricultural products grown or raised through urban farming to public schools. The bill authorizes the EDA to establish additional eligibility requirements and terms for receiving a grant or loan pursuant to the program. The bill also excludes the cultivation of marijuana for medicinal or any other purpose from any urban farming supported by the EDA grants and loans pursuant to the program.