

# 4:11-20

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2005 **CHAPTER:** 61

**NJSA:** 4:11-20 (Authorizes Department of Agriculture to establish surety fund)

**BILL NO:** A3835 (Substituted for S2376)

**SPONSOR(S):** Fisher and others

**DATE INTRODUCED:** February 24, 2005

**COMMITTEE:** **ASSEMBLY:** Agriculture and Natural Resources  
**SENATE:**

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** March 14, 2005

**SENATE:** March 21, 2005

**DATE OF APPROVAL:** March 28, 2005

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) Original version of bill enacted

### A3835

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

### S2376

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

**ASSEMBLY:** No

[SENATE:](#) [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

IS 4/23/07

P.L. 2005, CHAPTER 61, *approved March 28, 2005*  
Assembly, No. 3835

1 **AN ACT** concerning surety requirements for perishable agricultural  
2 commodities, and amending R.S.4:11-20.

3

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

6

7 1. R.S.4:11-20 is amended to read as follows:

8 4:11-20. a. A license shall not be issued unless and until the  
9 applicant has filed a good and sufficient surety bond executed in favor  
10 of the secretary in the secretary's official capacity, for the benefit of all  
11 growers with whom the applicant shall transact business, by a surety  
12 company duly authorized to transact business in this State in [a sum  
13 at least equal to the estimated maximum monthly value of all  
14 agricultural commodities to be purchased or received or which may  
15 have been purchased or received by the applicant from a producer or  
16 producers during the preceding 12 months] the sum of at least \$5,000  
17 annually in accordance with a formula established by rule or regulation  
18 adopted by the Department of Agriculture . The bond shall be  
19 executed upon a form prescribed by the secretary and shall be subject  
20 to the secretary's approval as to form and sufficiency. The applicant  
21 may in lieu of the bond deposit with the secretary securities approved  
22 by the department in an amount equal to the sum secured by the bond  
23 required to be filed as herein provided; or may  , in the alternative,  
24 obtain and deposit with the secretary an irrevocable letter of credit to  
25 equal the amount of the bond. The securities or letters of credit so  
26 deposited with the secretary shall constitute a separate fund and shall  
27 be held in trust for and applied exclusively to the payment of claims  
28 arising under the provisions of this article against the licensee making  
29 such deposit for the period for which the license is issued. All  
30 proceeds from surety bonds, money  , or securities shall be distributed  
31 to the grower-creditors by the secretary or returned to the licensee if  
32 no claims are made. The Department of Agriculture shall establish an  
33 annual maximum for all such bonds, securities, or irrevocable letters  
34 of credit which shall not exceed \$150,000.

35 b. The secretary may require a licensee to file an additional surety  
36 after a hearing on any complaint lodged against the licensee, but the  
37 total amount of all sureties filed by the licensee shall not exceed  
38 \$300,000.

39 c. (1) Each licensee shall pay, in addition to the fee required  
40 pursuant to R.S.4:11-19, an annual assessment in such amount as may  
41 be established by rule or regulation adopted by the Department of

**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 Agriculture. All monies collected from this additional assessment shall  
2 be deposited into the "Perishable Agricultural Commodity Surety  
3 Fund" established pursuant to paragraph (2) of this subsection. No  
4 additional assessment paid pursuant to this paragraph shall be returned  
5 or otherwise refunded to a licensee for any reason.

6 (2) The secretary may establish a dedicated nonlapsing, revolving  
7 fund, to be known as the "Perishable Agricultural Commodity Surety  
8 Fund," for the benefit of growers selling perishable agricultural  
9 commodities to licensees. Any interest or other investment income  
10 earned from monies deposited in the fund shall accrue and be credited  
11 to the fund. The fund shall be held by the State Treasurer and monies  
12 therefrom shall be used by the Department of Agriculture for the  
13 purposes of paragraph (3) of this section. Monies in the fund may also  
14 be used by the Department of Agriculture to pay for expenses  
15 associated with the administration of the surety program established  
16 pursuant to this section.

17 (3) In the event of a default by a licensee with respect to the  
18 purchase of perishable agricultural commodities from a grower, the  
19 secretary shall disburse monies from the fund to the grower-creditor  
20 in such manner and amounts as may be established by rule or  
21 regulation adopted by the Department of Agriculture.

22 d. To implement the provisions of this section, the secretary, with  
23 the approval of the Board of Agriculture, may:

24 (1) appoint an advisory board or council to advise the secretary  
25 with respect to the creation, operation, and administration of the  
26 surety program;

27 (2) establish procedures for the creation, operation, administration,  
28 and enforcement of the surety program;

29 (3) charge fees or other assessments to cover the reasonable costs  
30 and claims associated with the surety program; and

31 (4) adopt, pursuant to the "Administrative Procedure Act,"  
32 P.L.1968, c.410 (C.52:14B-1 et seq.) any rules and regulations  
33 necessary to implement this section and the surety program, which  
34 rules and regulations may include, but need not be limited to,  
35 provisions concerning the investigation of claims, compliance  
36 assurance, disbursement of monies, record-keeping, and assessment of  
37 fees and penalties in addition to those established in this article.

38 (cf: P.L.2004, c.13, s.1)

39

40 2. This act shall take effect immediately.

41

42

43

#### STATEMENT

44

45 This bill would authorize the Department of Agriculture to establish  
46 a surety fund, to be known as the "Perishable Agricultural Commodity

1 Surety Fund," for the benefit of growers of perishable agricultural  
2 commodities. This dedicated fund would be capitalized by collection  
3 of an additional annual assessment, in an amount to be determined by  
4 the department, from licensed purchasers of perishable agricultural  
5 commodities. The bill would also modify the amount of the bond or  
6 other authorized surety required to be filed by licensed purchasers of  
7 perishable agricultural commodities.

8 The bill would provide that, in the event of a default by a licensed  
9 purchaser with respect to the purchase of perishable agricultural  
10 commodities from a grower, the Secretary of Agriculture would  
11 disburse monies from the fund to the grower-creditor in such manner  
12 and amounts as may be established by the department. Monies in the  
13 fund could also be used by the department to pay for administrative  
14 expenses associated with the surety program.

15 The bill would also authorize the secretary, with the approval of the  
16 Board of Agriculture, to appoint an advisory board or council to  
17 advise the secretary with respect to the creation, operation, and  
18 administration of the surety program, and to take certain other actions  
19 to help ensure the success of the program.

20 Finally, the bill provides that the bond or other authorized surety to  
21 be filed by a licensed purchaser of perishable agricultural commodities  
22 must be for a sum of at least \$5,000 annually in accordance with a  
23 formula to be established by the department. However, the annual  
24 maximum of any such bond or other authorized surety to be filed  
25 would not exceed \$150,000, unless a complaint had been lodged  
26 against the licensee, in which case the total amount of all sureties  
27 required to be filed by the licensee would not exceed \$300,000.

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29

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31

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32 Authorizes Dept. of Agriculture to establish surety fund and assess  
33 fees for benefit of perishable agricultural commodity growers, and  
34 modifies amount of surety required to be filed by licensed purchasers  
35 of such commodities.

# ASSEMBLY, No. 3835

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 24, 2005

**Sponsored by:**

**Assemblyman DOUGLAS H. FISHER**

**District 3 (Salem, Cumberland and Gloucester)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Salem, Cumberland and Gloucester)**

**Assemblyman JEFF VAN DREW**

**District 1 (Cape May, Atlantic and Cumberland)**

**Assemblyman JOHN C. GIBSON**

**District 1 (Cape May, Atlantic and Cumberland)**

**Co-Sponsored by:**

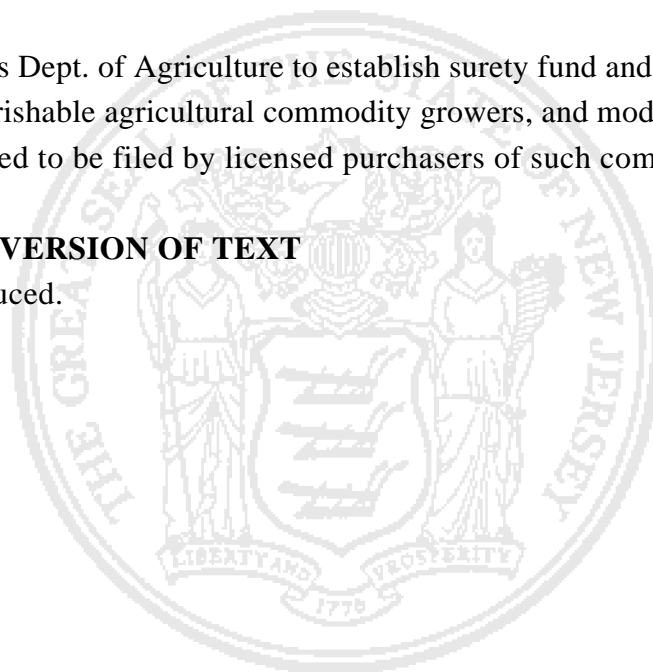
**Assemblymen Connors, Conaway, Senators Sweeney and Asselta**

**SYNOPSIS**

Authorizes Dept. of Agriculture to establish surety fund and assess fees for benefit of perishable agricultural commodity growers, and modifies amount of surety required to be filed by licensed purchasers of such commodities.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/22/2005)**

A3835 FISHER, BURZICHELLI

2

1 AN ACT concerning surety requirements for perishable agricultural  
2 commodities, and amending R.S.4:11-20.

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

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7 1. R.S.4:11-20 is amended to read as follows:

8 4:11-20. a. A license shall not be issued unless and until the  
9 applicant has filed a good and sufficient surety bond executed in favor  
10 of the secretary in the secretary's official capacity, for the benefit of all  
11 growers with whom the applicant shall transact business, by a surety  
12 company duly authorized to transact business in this State in [a sum  
13 at least equal to the estimated maximum monthly value of all  
14 agricultural commodities to be purchased or received or which may  
15 have been purchased or received by the applicant from a producer or  
16 producers during the preceding 12 months] the sum of at least \$5,000  
17 annually in accordance with a formula established by rule or regulation  
18 adopted by the Department of Agriculture . The bond shall be  
19 executed upon a form prescribed by the secretary and shall be subject  
20 to the secretary's approval as to form and sufficiency. The applicant  
21 may in lieu of the bond deposit with the secretary securities approved  
22 by the department in an amount equal to the sum secured by the bond  
23 required to be filed as herein provided; or may u in the alternative,  
24 obtain and deposit with the secretary an irrevocable letter of credit to  
25 equal the amount of the bond. The securities or letters of credit so  
26 deposited with the secretary shall constitute a separate fund and shall  
27 be held in trust for and applied exclusively to the payment of claims  
28 arising under the provisions of this article against the licensee making  
29 such deposit for the period for which the license is issued. All  
30 proceeds from surety bonds, money u or securities shall be distributed  
31 to the grower-creditors by the secretary or returned to the licensee if  
32 no claims are made. The Department of Agriculture shall establish an  
33 annual maximum for all such bonds, securities, or irrevocable letters  
34 of credit which shall not exceed \$150,000.

35 b. The secretary may require a licensee to file an additional surety  
36 after a hearing on any complaint lodged against the licensee, but the  
37 total amount of all sureties filed by the licensee shall not exceed  
38 \$300,000.

39 c. (1) Each licensee shall pay, in addition to the fee required  
40 pursuant to R.S.4:11-19, an annual assessment in such amount as may  
41 be established by rule or regulation adopted by the Department of  
42 Agriculture. All monies collected from this additional assessment shall  
43 be deposited into the "Perishable Agricultural Commodity Surety

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 Fund" established pursuant to paragraph (2) of this subsection. No  
2 additional assessment paid pursuant to this paragraph shall be returned  
3 or otherwise refunded to a licensee for any reason.

4 (2) The secretary may establish a dedicated nonlapsing, revolving  
5 fund, to be known as the "Perishable Agricultural Commodity Surety  
6 Fund," for the benefit of growers selling perishable agricultural  
7 commodities to licensees. Any interest or other investment income  
8 earned from monies deposited in the fund shall accrue and be credited  
9 to the fund. The fund shall be held by the State Treasurer and monies  
10 therefrom shall be used by the Department of Agriculture for the  
11 purposes of paragraph (3) of this section. Monies in the fund may also  
12 be used by the Department of Agriculture to pay for expenses  
13 associated with the administration of the surety program established  
14 pursuant to this section.

15 (3) In the event of a default by a licensee with respect to the  
16 purchase of perishable agricultural commodities from a grower, the  
17 secretary shall disburse monies from the fund to the grower-creditor  
18 in such manner and amounts as may be established by rule or  
19 regulation adopted by the Department of Agriculture.

20 d. To implement the provisions of this section, the secretary, with  
21 the approval of the Board of Agriculture, may:

22 (1) appoint an advisory board or council to advise the secretary  
23 with respect to the creation, operation, and administration of the  
24 surety program;

25 (2) establish procedures for the creation, operation, administration,  
26 and enforcement of the surety program;

27 (3) charge fees or other assessments to cover the reasonable costs  
28 and claims associated with the surety program; and

29 (4) adopt, pursuant to the "Administrative Procedure Act,"  
30 P.L.1968, c.410 (C.52:14B-1 et seq.) any rules and regulations  
31 necessary to implement this section and the surety program, which  
32 rules and regulations may include, but need not be limited to,  
33 provisions concerning the investigation of claims, compliance  
34 assurance, disbursement of monies, record-keeping, and assessment of  
35 fees and penalties in addition to those established in this article.

36 (cf: P.L.2004, c.13, s.1)

37  
38 2. This act shall take effect immediately.  
39  
40

41 STATEMENT

42  
43 This bill would authorize the Department of Agriculture to establish  
44 a surety fund, to be known as the "Perishable Agricultural Commodity  
45 Surety Fund," for the benefit of growers of perishable agricultural  
46 commodities. This dedicated fund would be capitalized by collection



**A3835 FISHER, BURZICHELLI**

1 of an additional annual assessment, in an amount to be determined by  
2 the department, from licensed purchasers of perishable agricultural  
3 commodities. The bill would also modify the amount of the bond or  
4 other authorized surety required to be filed by licensed purchasers of  
5 perishable agricultural commodities.

6 The bill would provide that, in the event of a default by a licensed  
7 purchaser with respect to the purchase of perishable agricultural  
8 commodities from a grower, the Secretary of Agriculture would  
9 disburse monies from the fund to the grower-creditor in such manner  
10 and amounts as may be established by the department. Monies in the  
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14 Board of Agriculture, to appoint an advisory board or council to  
15 advise the secretary with respect to the creation, operation, and  
16 administration of the surety program, and to take certain other actions  
17 to help ensure the success of the program.

18 Finally, the bill provides that the bond or other authorized surety to  
19 be filed by a licensed purchaser of perishable agricultural commodities  
20 must be for a sum of at least \$5,000 annually in accordance with a  
21 formula to be established by the department. However, the annual  
22 maximum of any such bond or other authorized surety to be filed  
23 would not exceed \$150,000, unless a complaint had been lodged  
24 against the licensee, in which case the total amount of all sureties  
25 required to be filed by the licensee would not exceed \$300,000.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 3835**  
**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

DATED: MAY 4, 2005

**SUMMARY**

**Synopsis:** Authorizes Department of Agriculture to establish surety fund and assess fees for benefit of perishable agricultural commodity growers, and modifies amount of surety required to be filed by licensed purchasers of such commodities.

**Type of Impact:** Revenue increase in the General Fund.

**Agencies Affected:** Department of Agriculture

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Revenue</b>		Indeterminate	
<b>State Cost</b>		None	

- ! The bill amends R.S.4:11-20 by authorizing the Department of Agriculture (DOA) to establish the "Perishable Agricultural Commodity Surety Fund" to benefit growers of perishable agricultural commodities when licensed purchasers go into default.
- ! This dedicated fund would be capitalized by annual assessments from licensed purchasers of perishable agricultural commodities. These revenues could also be used to manage the fund.
- ! The bill also directs that the bond or other authorized surety filed by a licensed purchaser of perishable agricultural commodities must be for a sum of at least \$5,000 annually.
- ! The Office of Legislative Services (OLS) estimates that the new assessments will enhance the General Fund by an undetermined amount. The State will incur no costs in managing the surety fund program because it will be self-supported through its assessment revenues.

**BILL DESCRIPTION**

Assembly Bill No. 3835 of 2005 authorizes the DOA to establish the "Perishable Agricultural Commodity Surety Fund" for the benefit of growers of perishable agricultural commodities. This dedicated fund would be capitalized by annual assessments from licensed purchasers of perishable agricultural commodities.

The bill provides that, in the event of a default by a licensed purchaser with respect to the purchase of perishable agricultural commodities from a grower, the Secretary of Agriculture would disburse monies from the fund to the grower-creditor in such manner and amounts as may be established by the department. Monies in the fund could also be used by the department to pay for administrative expenses associated with the management of the surety program.

Last, the bill amends R.S.4:11-20 by providing that the bond or other authorized surety to be filed by a licensed purchaser of perishable agricultural commodities must be for a sum of at least \$5,000 annually in accordance with a formula to be established by the department.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the new assessments enacted under the bill will enhance the General Fund by an undetermined amount. The OLS notes, however, that these revenues will be dedicated to a nonlapsing, revolving account for the purposes outlined in the bill and therefore cannot be used for other purposes.

The OLS also estimates that the DOA will incur no costs in managing the surety fund program because the program is designed to be self-supporting. The bill allows any administrative costs incurred by the department to be covered by surety fund assessments.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*  
*Senior Fiscal Analyst*

Approved: *David J. Rosen*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3835**

**STATE OF NEW JERSEY**

DATED: MARCH 7, 2005

The Assembly Agriculture and Natural Resources Committee reports favorably Assembly Bill No. 3835.

This bill would authorize the Department of Agriculture to establish a surety fund, to be known as the "Perishable Agricultural Commodity Surety Fund," for the benefit of growers of perishable agricultural commodities. This dedicated fund would be capitalized by collection of an additional annual assessment, in an amount to be determined by the department, from licensed purchasers of perishable agricultural commodities. The bill would also modify the amount of the bond or other authorized surety required to be filed by licensed purchasers of perishable agricultural commodities.

The bill would provide that, in the event of a default by a licensed purchaser with respect to the purchase of perishable agricultural commodities from a grower, the Secretary of Agriculture would disburse monies from the fund to the grower-creditor in such manner and amounts as may be established by the department. Monies in the fund could also be used by the department to pay for administrative expenses associated with the surety program.

The bill would also authorize the secretary, with the approval of the Board of Agriculture, to appoint an advisory board or council to advise the secretary with respect to the creation, operation, and administration of the surety program, and to take certain other actions to help ensure the success of the program.

Finally, the bill provides that the bond or other authorized surety to be filed by a licensed purchaser of perishable agricultural commodities must be for a sum of at least \$5,000 annually in accordance with a formula to be established by the department. However, the annual maximum of any such bond or other authorized surety to be filed would not exceed \$150,000, unless a complaint had been lodged against the licensee, in which case the total amount of all sureties required to be filed by the licensee would not exceed \$300,000.

**SENATE, No. 2376**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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INTRODUCED MARCH 1, 2005

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Salem, Cumberland and Gloucester)**

**Senator NICHOLAS ASSELTA**

**District 1 (Cape May, Atlantic and Cumberland)**

**SYNOPSIS**

Authorizes Dept. of Agriculture to establish surety fund and assess fees for benefit of perishable agricultural commodity growers, and modifies amount of surety required to be filed by licensed purchasers of such commodities.

**CURRENT VERSION OF TEXT**

As introduced.



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2 commodities, and amending R.S.4:11-20.

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11 growers with whom the applicant shall transact business, by a surety  
12 company duly authorized to transact business in this State in [a sum  
13 at least equal to the estimated maximum monthly value of all  
14 agricultural commodities to be purchased or received or which may  
15 have been purchased or received by the applicant from a producer or  
16 producers during the preceding 12 months] the sum of at least \$5,000  
17 annually in accordance with a formula established by rule or regulation  
18 adopted by the Department of Agriculture. The bond shall be  
19 executed upon a form prescribed by the secretary and shall be subject  
20 to the secretary's approval as to form and sufficiency. The applicant  
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22 by the department in an amount equal to the sum secured by the bond  
23 required to be filed as herein provided; or may u in the alternative,  
24 obtain and deposit with the secretary an irrevocable letter of credit to  
25 equal the amount of the bond. The securities or letters of credit so  
26 deposited with the secretary shall constitute a separate fund and shall  
27 be held in trust for and applied exclusively to the payment of claims  
28 arising under the provisions of this article against the licensee making  
29 such deposit for the period for which the license is issued. All  
30 proceeds from surety bonds, money u or securities shall be distributed  
31 to the grower-creditors by the secretary or returned to the licensee if  
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36 after a hearing on any complaint lodged against the licensee, but the  
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39 c. (1) Each licensee shall pay, in addition to the fee required  
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42 Agriculture. All monies collected from this additional assessment shall  
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4 (2) The secretary may establish a dedicated nonlapsing, revolving  
5 fund, to be known as the "Perishable Agricultural Commodity Surety  
6 Fund," for the benefit of growers selling perishable agricultural  
7 commodities to licensees. Any interest or other investment income  
8 earned from monies deposited in the fund shall accrue and be credited  
9 to the fund. The fund shall be held by the State Treasurer and monies  
10 therefrom shall be used by the Department of Agriculture for the  
11 purposes of paragraph (3) of this section. Monies in the fund may also  
12 be used by the Department of Agriculture to pay for expenses  
13 associated with the administration of the surety program established  
14 pursuant to this section.

15 (3) In the event of a default by a licensee with respect to the  
16 purchase of perishable agricultural commodities from a grower, the  
17 secretary shall disburse monies from the fund to the grower-creditor  
18 in such manner and amounts as may be established by rule or  
19 regulation adopted by the Department of Agriculture.

20 d. To implement the provisions of this section, the secretary, with  
21 the approval of the Board of Agriculture, may:

22 (1) appoint an advisory board or council to advise the secretary  
23 with respect to the creation, operation, and administration of the  
24 surety program;

25 (2) establish procedures for the creation, operation, administration,  
26 and enforcement of the surety program;

27 (3) charge fees or other assessments to cover the reasonable costs  
28 and claims associated with the surety program; and

29 (4) adopt, pursuant to the "Administrative Procedure Act,"  
30 P.L.1968, c.410 (C.52:14B-1 et seq.) any rules and regulations  
31 necessary to implement this section and the surety program, which  
32 rules and regulations may include, but need not be limited to,  
33 provisions concerning the investigation of claims, compliance  
34 assurance, disbursement of monies, record-keeping, and assessment of  
35 fees and penalties in addition to those established in this article.

36 (cf: P.L.2004, c.13, s.1)

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38 2. This act shall take effect immediately.

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23 would not exceed \$150,000, unless a complaint had been lodged  
24 against the licensee, in which case the total amount of all sureties  
25 required to be filed by the licensee would not exceed \$300,000.



# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### SENATE, No. 2376

# STATE OF NEW JERSEY

DATED: MARCH 7, 2004

The Senate Economic Growth Committee reports favorably Senate Bill No. 2376.

This bill would authorize the Department of Agriculture to establish a surety fund, to be known as the "Perishable Agricultural Commodity Surety Fund," for the benefit of growers of perishable agricultural commodities. This dedicated fund would be capitalized by collection of an additional annual assessment, in an amount to be determined by the department, from licensed purchasers of perishable agricultural commodities. The bill would also modify the amount of the bond or other authorized surety required to be filed by licensed purchasers of perishable agricultural commodities.

The bill would provide that, in the event of a default by a licensed purchaser with respect to the purchase of perishable agricultural commodities from a grower, the Secretary of Agriculture would disburse monies from the fund to the grower-creditor in such manner and amounts as may be established by the department. Monies in the fund could also be used by the department to pay for administrative expenses associated with the surety program.

The bill would also authorize the secretary, with the approval of the Board of Agriculture, to appoint an advisory board or council to advise the secretary with respect to the creation, operation, and administration of the surety program, and to take certain other actions to help ensure the success of the program.

Finally, the bill provides that the bond or other authorized surety to be filed by a licensed purchaser of perishable agricultural commodities must be for a sum of at least \$5,000 annually in accordance with a formula to be established by the department. However, the annual maximum of any such bond or other authorized surety to be filed would not exceed \$150,000, unless a complaint had been lodged against the licensee, in which case the total amount of all sureties required to be filed by the licensee would not exceed \$300,000.