

July 23, 2018

**SENATE BILL NO. 1057
(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1057 (First Reprint) with my recommendations for reconsideration.

I commend the bill's sponsors for recognizing the value that New Jersey wineries and vineyards bring to our State and for taking the initiative to help ensure the industry's growth and success. The Economic Development Authority ("EDA") offers a large portfolio of programs and services designed to assist businesses of all sizes with access to capital, including loans, loan guarantees, tax-exempt and taxable bond financing, and business and tax incentives. Although New Jersey's vineyards and wineries are eligible for many of these programs, I agree with the bill's sponsors that a loan program specific to this growing and important industry is warranted.

I am concerned, however, that the bill's delineation of loan amounts, rates of interest and repayment terms unnecessarily restrict the loans available under the program, which could undermine the program's impact. Such terms are generally established by the EDA pursuant to varying economic and market factors, along with the creditworthiness of the borrower. The borrowing terms outlined in the bill are too prescriptive for EDA to administer an effective loan program for the vineyard and winery industries in the State. The spirit of the bill would be better served by leaving these determinations to EDA.

Therefore, I herewith return Senate Bill No. 1057 (First Reprint) and recommend that it be amended as follows:

Page 3, Section 2, Lines_25-34: Delete in their entirety

Page 3, Section 2, Line_35: Delete "c." and insert "b."

Page 3, Section 2, Line_45:

Delete "d." and insert "c."

Page 4, Section 2, Line_3:

Delete "e." and insert "d."

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Kate E. McDonnell

Deputy Chief Counsel to the Governor