

Rural Microenterprises

Many farmers who own qualifying preserved farms now have the opportunity to apply for a special permit to operate a rural microenterprise (RME) on their land under a new state law and accompanying rules. An RME is a small-scale business or activity that is fully compatible with agricultural use and production on the preserved premises, does not detract from, diminish, or interfere with the agricultural use of the premises, and is incidental to the agricultural use of the premises.

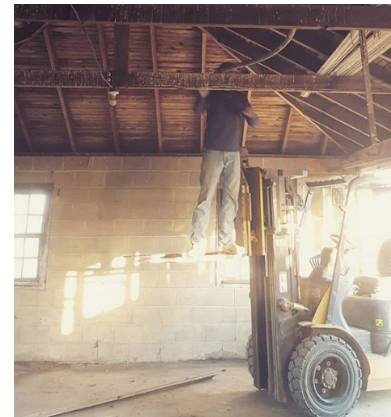
What are the Benefits of Operating an Rural Microenterprise?

RMEs support the viability of family farms in New Jersey by expanding the opportunity for economic activity on preserved farmland. During peak operational periods, a permittee can employ up to four full-time staff members, or the equivalent, in addition to the owner-operator and utilize a portion of the preserved farm for business uses as outlined below. RMEs can also help protect historically significant barns and other farm buildings that contribute the State's rural landscape and cultural history by allowing a positive, economic use of the building.

Example: Repurposing an Obsolete Farm Structure for a New Business Opportunity



Before: Dairy facilities unused for 15+ years



Adaptive re-use of the dairy



After: Dairy facilities repurposed for new craft-based business activities

What Rural Microenterprises are Eligible for a Special Permit?

Customary Rural Activities: These activities rely on the equipment and skills historically possessed by the agricultural community, such as snow plowing, bed and breakfasts, bakeries, woodworking, and craft-based businesses.

Agricultural Support Services: These services have a direct and positive impact on agriculture by supplying needed equipment, supplies, and services to the surrounding agricultural community, such as veterinary practices, seed suppliers, and tractor or equipment repair shops.



How Much of the Preserved Farm Can be Used for a Rural Microenterprise?

Land and Structures

- Up to a one-acre envelope can be used to support an RME.
- Up to 2,500 square feet of the interior of an existing building (at least 5 years old) may be substantially altered or finished to support an RME (additional space may be finished if the building is designated as a Heritage Farm Structure and a 20-Year Heritage Preservation Easement is conveyed on the structure).
- Where a building has not been substantially altered or finished to support the RME, the entire floor area of the building's space may be used to support an RME (e.g., parking boats in an old barn).
- Up to 500 square feet of an existing building may be expanded to support an RME.

Outside Storage

- Up to 5,000 square feet of the qualifying land can be used for outside storage of equipment, vehicles, supplies, products or byproducts associated with an RME.

Parking

- Up to 2,000 square feet or 10 parking spaces on the qualifying land can be used for customer parking.

What Criteria Must be Met for the Issuance of a Special Permit?

To qualify, a farm must have been permanently preserved prior to January 12, 2006, without an exception area or other area excluded from the deed of easement; the farm must meet the definition of a commercial farm as defined in the Right to Farm Act; and the farmer must be an owner-operator who realizes at least \$2,500 in gross sales each year exclusive of rental income. All proposed projects will be reviewed by the SADC for compliance with the RME law and regulations, and if so, issue a permit to conduct the RME for a period of up to 20 years.



Repurposed
19th Century
Wagon Shed/
Corn Crib in
Kingwood
Township, NJ

Are Financial Incentives Available for Utilizing Historic Barn or Farm Structures as Part of a Rural Microenterprise?

Federal income tax credits are potentially available to landowners who voluntarily agree to a higher preservation standard than required by the SADC. Specifically, buildings or structures listed on the New Jersey Register of Historic Places may qualify for Federal historic rehabilitation tax credits (please see <http://www.nj.gov/dep/hpo/3preserve/itc.htm>).

In addition, a landowner who donates a perpetual historic preservation easement on a New Jersey Register-listed structure using an approved deed template may qualify for a Federal income tax deduction (please see <http://www.njht.org/dca/njht/private/perpetual/>).

How Do I Apply for a Special Permit to Operate an RME?

Visit www.nj.gov/agriculture/sadc/farmpreserve/postpres/ or call (609)-984-2504 for more information and assistance from SADC Stewardship Program staff.

