

# ASSEMBLY, No. 3648

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MAY 19, 2003

**Sponsored by:**  
**Assemblyman REED GUSCIORA**  
**District 15 (Mercer)**

### **SYNOPSIS**

Requires DEP to replace Standard Industrial Classification System with North American Industrial Classification System.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the replacement of the Standard Industrial  
2 Classification System with the North American Industrial  
3 Classification System for certain regulated industries, and  
4 supplementing Title 13 of the Revised Statutes.

5

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

8

9 1. The Department of Environmental Protection, in consultation  
10 with the Department of Labor, shall adopt, pursuant to the  
11 Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
12 rules and regulations that:

13 a. identify the categories of employers, entities, establishments or  
14 facilities contained in those Standard Industrial Classification codes  
15 that are included in the definition of "business entity," "employer,"  
16 "industrial establishment," or "industrial facility," regulated under  
17 P.L.1991, c.235 (C.13:1D-35 et seq.), P.L.1983, c.330 (C.13:1K-6 et  
18 seq.), P.L.1983, c.315 (C.34:5A-1 et seq.), or P.L.1986, c.142  
19 (C.52:27D-222 et seq.); and

20 b. identify the universe of employers, entities, establishments or  
21 facilities under the North American Industry Classification System of  
22 codes that are generally equivalent to the universe identified in  
23 subsection a. of this section.

24

25 2. The generally equivalent universe of employers, entities,  
26 establishments or facilities identified in the regulations adopted by the  
27 Department of Environmental Protection pursuant to subsection b. of  
28 section 1 of this act shall, upon the operative date of the regulations,  
29 be the regulated universe of business entities, employers, industrial  
30 establishments or industrial facilities subject to the provisions of  
31 P.L.1991, c.235 (C.13:1D-35 et seq.), P.L.1983, c.330 (C.13:1K-6 et  
32 seq.), P.L.1983, c.315 (C.34:5A-1 et seq.), or P.L.1986, c.142  
33 (C.52:27D-222 et seq.). The department shall, to the maximum extent  
34 practicable, seek to ensure that the categories of employers, entities,  
35 establishments or facilities regulated pursuant to the regulations  
36 adopted pursuant to section 1 of this act are consistent with those  
37 regulated prior to the effective date of this act.

38

39 3. Prior to the operative date of the regulations required to be  
40 adopted by the department pursuant to section 1 of this act, every  
41 business entity, employer, industrial establishment, or industrial facility  
42 that is subject to P.L.1991, c.235 (C.13:1D-35 et seq.), P.L.1983,  
43 c.330 (C.13:1K-6 et seq.), P.L.1983, c.315 (C.34:5A-1 et seq.), or  
44 P.L.1986, c.142 (C.52:27D-222 et seq.) shall continue to be regulated  
45 pursuant to those acts without regard to the cessation of use by certain  
46 State or federal agencies of the Standard Industrial Classification  
47 system.

1 4. Notwithstanding the provisions of P.L.1968, c.410 (C.52:14B-1  
2 et seq.) to the contrary, the Commissioner of Environmental  
3 Protection may, immediately upon filing with the Office of  
4 Administrative Law, adopt such temporary regulations as the  
5 commissioner deems necessary to implement the provisions of P.L. ,  
6 c. (C. ) (now pending before the Legislature as this bill), which  
7 regulations shall be effective for a period not to exceed 270 days from  
8 the date of the filing, but in no case after one year from the effective  
9 date of P.L. , c. (now pending before the Legislature as this bill).  
10 The regulations may thereafter be amended, adopted or readopted by  
11 the commissioner as the commissioner deems necessary in accordance  
12 with the requirements of P.L.1968, c.410.

13

14 5. This act shall take effect immediately.

15

16

17

#### STATEMENT

18

19 The Standard Industrial Classification (SIC) was originally  
20 developed in the 1930's to classify establishments by the type of  
21 activity in which they are primarily engaged and to promote the  
22 comparability of establishment data describing various facets of the  
23 U.S. economy. The SIC covers the entire field of economic activities  
24 by defining industries in accordance with the composition and  
25 structure of the economy. Over the years, it was revised periodically  
26 to reflect the economy's changing industry composition and  
27 organization. The federal Office of Management and Budget last  
28 updated the SIC in 1987.

29 Because of the SIC's usefulness, several State statutes define the  
30 industrial companies, facilities and groups regulated pursuant to those  
31 acts by referencing specific SIC codes. However, changes made  
32 pursuant to the North American Free Trade Agreement have resulted  
33 in a gradual phasing out of the SIC system, replacing it with the North  
34 American Industry Classification System. Once this change is  
35 completed, it may be difficult to clarify which facilities will continue  
36 to be regulated. For the health and safety of New Jersey residents, it  
37 is important that affected State statutes, such as the "Worker and  
38 Community Right to Know Act," the "Pollution Prevention Act" and  
39 the "Industrial Site Recovery Act," continue uninterrupted.

40 This bill would therefore require the Department of Environmental  
41 Protection (DEP), working in consultation with the Department of  
42 Labor, to adopt rules and regulations that would ensure continual  
43 regulation. These regulations would first identify the categories of  
44 employers, entities, establishments or facilities regulated pursuant to  
45 P.L.1991, c.235 (C.13:1D-35 et seq.), P.L.1983, c.330 (C.13:1K-6 et  
46 seq.), P.L.1983, c.315 (C.34:5A-1 et seq.), or P.L.1986, c.142

**A3648 GUSCIORA**

1 (C.52:27D-222 et seq.) using the SIC system. The department would  
2 then identify the universe of employers, entities, establishments or  
3 facilities under the North American Industry Classification System of  
4 codes that are generally equivalent to these regulated categories. The  
5 bill would then require that upon adoption of the regulations, the  
6 universe of employers, entities, establishments or facilities identified  
7 by the North American Industrial Classification System of codes be  
8 regulated pursuant to the cited statutes. The bill also clarifies that any  
9 employers, entities, establishments or facilities currently regulated  
10 pursuant to these statutes would continue to be regulated should there  
11 be a gap between the time that State or federal governments stop using  
12 SIC codes and the new regulations are adopted.