

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 2346

STATE OF NEW JERSEY

DATED: MAY 7, 2020

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2346.

This substitute would extend certain State, regional, county, and municipal agency permits, approvals, and deadlines during the COVID-19 emergency. In order to limit the spread of COVID-19 and minimize its public health impacts, strict social distancing and other precautionary measures were implemented. As a result, much business and government activity was halted, disrupted, or delayed, resulting in a severe economic downturn. This substitute would toll the term of permits and approvals during the course of the COVID-19 emergency in order to prevent the abandonment of approved projects, and the concomitant waste of public and private resources, as well as to be ready to quickly resume these projects when it is safe to restart normal levels of business and government activity.

The substitute also suspends certain requirements and timeframes imposed pursuant to P.L.2019, c.397 (C.13:1E-127.1 et al.), applicable to a person who performs soil and fill recycling services related to road or bridge construction activities.

The substitute also would extend certain timeframes by which planning and zoning boards have to grant or deny certain applications pursuant to the "Municipal Land Use Law" in order to provide adequate time to evaluate projects already in the pipeline during a time in which it is difficult to conduct government business.

The substitute also requires State agencies to place a notice in the New Jersey Register tolling approvals within 30 days of the effective date of the bill.

The substitute takes effect immediately and is retroactive to March 9, 2020, when Executive Order No. 103 was issued, declaring a public health emergency and state of emergency in response to COVID-19.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will result in an indeterminate, temporary loss of State and local permit fee and application revenues due to the proposed lengthening of the extension period for certain approvals authorized by the bill. The estimate is based on the assumption that, absent the bill, the holders of

expiring permits and applications would eventually reapply for the same or similar permits and applications, and in doing so, would make additional fee payments. In certain cases, and for a certain limited time-period, the bill obviates the need to renew a permit or application approval, thus allowing permit holders and applicants to continue their projects without re-obtaining permits or reapplying and paying related fees. However, the OLS acknowledges additional uncertainty when considering that some applicants would not reapply and pay renewal fees if their initial application expired. Specific estimates cannot be quantified because the OLS is unable to obtain reliable information regarding the number of approvals that would be extended by the bill.

The OLS notes that some benefits to the State and local economies could be realized from the preservation of existing approvals for property owners and developers, and the avoidance of presumably costly permit and application review fees that otherwise would be paid by the business community.