

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3095

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3095.

This bill would establish an alternate inspection process, under the State Uniform Construction Code Act, for property owners willing to pay a premium fee to expedite inspections. The bill also would authorize a property owner to retain a private agency to perform construction code inspections if the local code enforcing agency is unable to complete an inspection within three business days of the time the owner requests the inspection to be performed.

Under the bill, an applicant for a construction permit may opt to pay a premium fee to have inspections under the permit performed on an expedited basis, i.e., within two calendar days of the time requested for an inspection. The premium fee would be \$100 per inspection unless the municipality establishes an alternative price, or variety of alternative prices depending on application size and other relevant factors. The bill would allow an applicant to exercise this option at the time of submitting an application for a construction permit.

The expedited inspection program would provide that:

- a municipal governing body may participate in the program by requiring its enforcing agency to conduct expedited inspections or by allowing an applicant to have a private agency perform expedited inspections;
- an owner of a project located in a municipality that is not requiring its enforcing agency to conduct expedited inspections may select a private inspection agency to conduct expedited inspections;
- to conduct expedited inspections under the bill a private inspection agency must be licensed and authorized to perform inspections by the Department of Community Affairs (DCA);
- an owner may opt to participate in the expedited inspection program at the time of submission of an application for a construction permit;
- an owner participating in the expedited inspection program would pay a premium in addition to all otherwise applicable fees;
- each expedited inspection would be completed within two calendar days of an owner's request for an inspection;
- if a local enforcing agency or a private inspection agency fails to complete an expedited inspection within two calendar days

of an owner's request for an inspection, the agency must complete the inspection within the following 24 hours and must refund the premium for that expedited inspection to the owner.

The bill provides that regardless of whether the local enforcing agency or a private inspection agency are conducting expedited inspections, the enforcing agency would retain the power and responsibility over issuance of the certificate of occupancy for the construction project. The enforcing agency would observe the progress of a construction project receiving expedited inspections by a private inspection agency, and would retain jurisdiction over the project in order to be responsive to inquiries from the general public and from special interests, to the needs of the owner and the private inspection agency, and to the obligations and requirements imposed by the construction code.

The bill would require DCA to establish a program to license and authorize business entities as private inspection agencies for the purpose of contracting with owners to conduct expedited inspections or to perform inspections when an enforcing agency is unable to complete inspection within the time required by law. The bill specifies requirements for a business to be licensed and authorized as a private inspection agency.

Additionally, the bill would codify that a local enforcing agency must perform a construction code inspection within three business days of the time the owner requests it to be performed. If a local enforcing agency fails to perform an inspection within that timeframe, the bill would authorize the owner to retain a private inspection agency to perform the remainder of inspections required for the project. Under the bill, the owner would be required to notify the local enforcing agency in writing, that the owner has retained a private inspection agency to perform the remaining inspections. The bill would require the local enforcing agency to provide the private inspection agency a copy of the plans and specifications for the construction and all other materials relevant to inspecting the construction project. Under the bill, the local enforcing agency must return to the owner a proportional amount of the fees paid by the owner to the local enforcing agency, however, the local enforcing agency may retain a portion of the fees to cover its costs associated with its continued responsibilities related to the project. The bill would allow a private inspection agency to charge the owner fees to cover the cost of providing inspection services. Despite the transfer of control over the inspection function to a private agency, the bill would require the local enforcing agency to observe the progress of a construction project, and to retain oversight jurisdiction of the project in order to be responsive to inquiries from the general public and from special interests, to the needs of the owner and the private agency, and to the obligations and requirements imposed by the code.