

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE COMMITTEE SUBSTITUTE FOR**  
**SENATE, No. 3688**  
**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

DATED: JUNE 2, 2021

**SUMMARY**

- Synopsis:** Provides for regional economic and land use impact report and establishes review processes related to development of certain large warehouses; and requires related real property reassessments.
- Type of Impact:** Annual State and municipal and county government expenditure increases.
- Agencies Affected:** Department of State; municipal and county government units.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	
<b>Annual State Expenditure Increase</b>	Indeterminate
<b>Annual Local Expenditure Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill would result in annual indeterminate increased expenditures for the State Planning Commission, an entity within the New Jersey Department of State, and county and municipal government units due to a variety of administrative requirements.
- Under the bill, the administrative officer of a host municipality would be required to deliver regional impact notices to clerks of adjoining municipalities which would be decided by the county planning board or commission; a host municipality would be required to hold a regional impact hearing before the board or commission and prepare a regional economic and land use impact report; and the commission would be required to promulgate guidelines, conduct regional impact hearings, and receive and hear appeals and render decisions regarding host municipality development approvals.
- The bill also requires that if a host municipality that has approved a large warehouse development project has not performed a municipal-wide revaluation or municipal-wide reassessment of all real property in the municipality within the last 60 months, the host municipality would be required to perform a revaluation or reassessment within the next 24 months following approval.

- It is noted that the developer is required to pay the costs of preparing the regional economic and land use impact report.

## **BILL DESCRIPTION**

This bill provides for regional economic and land use impact reports, establishes review processes related to development of certain large warehouses, and requires related real property reassessments.

This bill would apply to any “large warehouse”, which is defined as a large facility meeting guideline requirements as promulgated by the State Planning Commission and designed predominantly for receiving and storing goods and materials before they are sold, used, or redistributed.

The bill provides that whenever an applicant files an application for development of a large warehouse, the administrative officer of a host municipality would deliver to the clerk of each adjoining municipality a notice of regional impact which would include a copy of the complete application for development. Delivery of the notice of regional impact would be made as soon as practicable after the application for development is deemed complete.

Under the bill the governing body of an adjoining municipality, within 20 days after receipt of notice may adopt a resolution of regional concerns and deliver a copy of the resolution to the administrative officer and to the applicant.

A board conducting a regional impact hearing would render a decision to allow or disallow a host municipality to consider an application for development of a large warehouse. The county planning board would only render a decision to allow the application for development of a large warehouse to be considered by the host municipality upon the board’s determination that the applicant has made an affirmative showing that approval of the application for development may be granted without substantial detriment to the general welfare of or economic condition of an adjoining municipality or overall region.

The bill provides that an adjoining municipality which is aggrieved by a decision of a county planning board may submit an appeal in writing within 45 days of the board’s final decision to the commission.

Under the bill, prior to consideration of an application for development for a large warehouse by a board or the commission, the host municipality would prepare and make available a regional economic and land use impact report. The preparation of a regional economic and land use impact report would not be waived, and would be completed and distributed no later than the date on which a hearing of a board or the commission is scheduled to consider an application for a large warehouse development.

The bill provides that a host municipality may contract with a private entity, other than the applicant, or another public agency for the preparation of a regional economic and land use impact report. The host municipality and the private entity or other public agency would ensure that persons qualified by education, training, and experience to conduct economic and fiscal analyses prepare the regional economic and land use impact report. Additionally, the applicant would pay the costs of preparing a regional economic and land use impact report.

Nothing would preclude a host municipality from conducting additional studies of the effects of the construction and operation of a proposed large warehouse.

Under the bill, the commission would have the following duties, including, but not limited to: promulgating guidelines, conducting regional impact hearings, and receiving and hearing appeals and rendering decisions regarding host municipality development approvals.

The bill provides that the commission within 45 days of a hearing, would render a decision to allow or disallow the application for development of a large warehouse to be considered by the host municipality.

Under the bill, a host municipality upon receiving an application for a large warehouse development, and prior to approving such an application, would notify the planning board of the need to update the master plan, unless the master plan was updated within the prior 12 months. If a host municipality's master plan was not updated within the prior 12 months, the planning board of the host municipality would update the land use and development proposal aspects of the host municipality's master plan in order to consider the number and nature of variances that were granted in the prior 12 months.

The bill provides that if a municipality that has approved a large warehouse development project has not performed a municipal-wide revaluation or municipal-wide reassessment of all real property in the municipality within the 60 months immediately preceding the approval of the large warehouse development project, the municipality would perform such a municipal-wide revaluation or municipal-wide reassessment of real property within the municipality not later the 24th month next following that approval.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the bill would result in annual indeterminate increased expenditures for the State Planning Commission, an entity within the New Jersey Department of State, and county and municipal government units due to a variety of administrative requirements.

Under the bill, the administrative officer of a host municipality would be required to deliver regional impact notices to clerks of adjoining municipalities which would be decided by the county planning board or commission; a host municipality would be required to hold a regional impact hearing before the board or commission and prepare a regional economic and land use impact report; and the commission would be required to promulgate guidelines, conduct regional impact hearings, and receive and hear appeals and render decisions regarding host municipality development approvals.

The bill also requires that if a host municipality that has approved a large warehouse development project has not performed a municipal-wide revaluation or municipal-wide reassessment of all real property in the municipality within the last 60 months, the host municipality would be required to perform a revaluation or reassessment within the next 24 months following approval. The costs to municipalities having to undertake a revaluation or reassessment will vary and depend on factors such as the number of homes and structures in the municipality and the size and type of the construction.

It is noted that the developer is required to pay the costs of preparing the regional economic and land use impact report, which will mitigate certain costs associated with this bill.

FE to SCS for S3688

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).