

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 3688

STATE OF NEW JERSEY

DATED: MAY 20, 2021

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 3688.

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

The substitute 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. Under the substitute, “host municipality” means the municipality where the application for development of a large warehouse has been filed. Delivery of the notice of regional impact would be made as soon as practicable after the application for development is deemed complete, and would suspend any otherwise applicable time requirement, including the convening of a hearing date related to the application. Once an application for development has been received by the clerk of each adjoining municipality, any time provision applicable to the application for development would be suspended until after receiving a final decision, not subject to appeal, regarding the regional impact of the application for development from the county planning board (board) or a decision of the commission.

Under the substitute 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.

If the host municipality receives an application for development of a large warehouse and does not share a border with a county border, the administrative officer would notify the board and each adjoining municipality of the need for a regional impact hearing before the board.

If the host municipality receives an application for development of a large warehouse and does share a border with a county border, the administrative officer would notify the commission and each adjoining municipality of the need for a regional impact hearing before the commission.

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:

- (1) without substantial detriment to the general welfare of an adjoining municipality or the overall region;
- (2) without substantial detriment to the economic and fiscal impact of an adjoining municipality or the overall region; and
- (3) without substantial impairment to the intent and purpose of the master plan or zoning ordinance of an adjoining municipality.

The substitute 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 substitute, 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 substitute 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.

Under the substitute, a regional economic and land use impact report would include, but not be limited to, all of the following:

- (1) an assessment of the extent to which the proposed large warehouse will capture a share of retail sales;
- (2) an assessment of how the proposed large warehouse will affect the supply and demand for retail space;

(3) an assessment of how the proposed large warehouse will affect wages and benefits, community income levels, and the demand for employment;

(4) a projection of the costs of public services and public facilities resulting from the construction and operation of the proposed large warehouse and the incidence of those costs;

(5) a projection of the public revenues resulting from the proposed large warehouse and the incidence of those revenues;

(6) an assessment of the effect that the construction and operation of the proposed large warehouse will have on other retail operations;

(7) an assessment of the effect that the proposed large warehouse will have on the ability of the municipality, adjoining municipalities, or the county to implement the goals in its respective master plan; and

(8) an assessment of the effect that the proposed large warehouse will have on average total vehicle miles traveled by retail customers.

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

The substitute provides that a regional economic and land use impact report prepared would be delivered to the board or the commission, as applicable, and would be made available to any adjoining municipality, upon request.

Under the substitute, the commission would have the following duties:

(1) to promulgate and publish guidelines for determining what constitutes a large warehouse and what constitutes a regional concern for an adjoining municipality, with regard to the development of a large warehouse in an adjoining municipality. Regional concerns would consist of:

(a) the general welfare of an adjoining municipality, as impacted by traffic, noise, lights, odor, or environmental issues;

(b) conflicts with the master plan or zoning ordinance of an adjoining municipality; and

(c) issues required to be included in a regional economic and land use impact report.

(2) to conduct regional impact hearings and render decisions regarding development approvals for host municipalities that share a border with a county border, upon receiving a notification in accordance with this substitute.

(3) to receive and hear appeals and render decisions regarding host municipality development approvals of large warehouses, upon an appeal filed in accordance with the provisions of this substitute.

The substitute 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. The commission would render a decision to allow an application, if the commission determines that the applicant has made

an affirmative showing that approval of the application for development may be granted:

- (1) without substantial detriment to the general welfare of an adjoining municipality or the overall region;
- (2) without substantial detriment to the economic and fiscal impact of an adjoining municipality or the overall region; and
- (3) without substantial impairment to the intent and purpose of the master plan or zoning ordinance of an adjoining municipality.

Under the substitute, 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 substitute 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 IMPACT:

The Office of Legislative Services estimates that the bill would result in annual indeterminate increased expenditures for the State and local 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 State Planning 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; 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; and 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 the developer would pay the costs of preparing the regional economic and land use impact report.