

FISCAL NOTE TO  
ASSEMBLY, No. 279  
**STATE OF NEW JERSEY**

DATED: SEPTEMBER 5, 1996

Assembly Bill No. 279 of 1996 would allow service of administrative notices and orders under "The Planned Real Estate Development Full Disclosure Act," P.L.1977, c.419 (C.45:22A-21 et seq.), the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.), the "Uniform Fire Safety Act," P.L.1983, c.383 (C.52:27D-192 et seq.), the "Continuing Care Retirement Community Regulation and Financial Disclosure Act," P.L.1986, c.103 (C.52:27D-330 et seq.), the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.), and the "Rooming and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et al.), to be made by ordinary mail as well as by certified mail. The use of ordinary mail to serve notices and orders, such as motor vehicle license revocation notices, has been recognized by the courts as being not violative of due process. The use of ordinary mail instead of certified mail, return receipt requested, as now required under the acts being amended, would allow substantial cost savings both for the State and for local enforcing agencies.

The bill also amends these acts to allow the Commissioner of the Department of Community Affairs to extend the time period to apply for a hearing to contest a ruling, action, order or notice of the Commissioner of Community Affairs if, in the commissioner's discretion, the interests of justice would be served.

Currently, the cost of mailing a certified letter with a return receipt is \$2.52, including the cost of a \$0.32 stamp. The Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) that it currently makes over 34,000 certified mailings annually for all programs covered under the bill, and local enforcing agencies make an indeterminate number of certified mailings as well. Assuming a cost savings of \$2.20 per notice, and an annual certified mailing of 34,000 notices, the DCA estimates its potential cost savings under this bill to be approximately \$75,000 annually. This number assumes that each of the notices currently mailed by certified mail, return receipt requested, would be mailed by regular mail. The DCA also notes that as the cost of a certified mailing increases, the value of the savings to the State and to local enforcing agencies will increase commensurately.

The OLS concurs with the DCA's estimates concerning its potential savings under this bill. The DCA has previously provided information to the OLS on this subject that indicates that, on an

annualized basis, approximately 34,336 certified mailings were sent by the various components of the DCA that are responsible for providing notices under the various laws cited in the bill. Assuming a cost savings of \$2.20 per notice, and an annual certified mailing of 34,336 notices, the potential cost savings to the DCA would be \$75,539.20 annually. Again, this number assumes that each of the notices currently mailed by certified mail, return receipt requested, would be mailed by regular mail.

The provisions of this bill would provide cost savings for local governments that are required to mail such notices by certified mail, as well, at the rate of \$2.20 per notice. However, the OLS has not been able to obtain any data that would permit a reasonably accurate calculation of the potential cost savings to local governments.

The OLS does not anticipate a cost impact for the provision of the bill that permits the extension of the time period to apply for a hearing to contest a ruling, action, order or notice of the Commissioner of Community Affairs if, in the commissioner's discretion, the interests of justice would be served.

This fiscal note has been prepared pursuant to P.L.1980, c.67.