

ASSEMBLY, No. 426

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen KELLY and DiGAETANO

1 AN ACT concerning fire protection warranty programs and amending
2 P.L.1983, c.383.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 7 of P.L.1983, c.383 (C.52:27D-198) is amended to
8 read as follows:

9 7. a. The commissioner shall promulgate, in accordance with the
10 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
11 seq.), and after consulting with the fire safety commission, regulations
12 to insure the maintenance and operation of buildings and equipment in
13 such a manner as will provide a reasonable degree of safety from fire
14 and explosion.

15 Regulations promulgated pursuant to this section shall include a
16 uniform fire safety code primarily based on the standards established
17 by the Life Safety Code (National Fire Protection Association 101)
18 and any other fire codes of the National Fire Protection Association
19 and the Building Officials and Code Administrators International
20 (BOCA) Basic Fire Prevention Code, both of which may be adopted
21 by reference. The regulations may include modifications and
22 amendments the commissioner finds necessary.

23 b. The code promulgated pursuant to this section shall include the
24 requirements for fire detection and suppression systems, elevator
25 systems, emergency egresses and protective equipment reasonably
26 necessary to the fire safety of the occupants or intended occupants of
27 new or existing buildings subject to this act, including but not limited
28 to electrical fire hazards, maintenance of fire protection systems and
29 equipment, fire evacuation plans and fire drills, and all components of
30 building egress. In addition, the regulations issued and promulgated
31 pursuant to this section which are applicable to new or existing
32 buildings shall include, but not be limited to fire suppression systems,

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 built-in fire fighting equipment, fire resistance ratings, smoke control
2 systems, fire detection systems, and fire alarm systems including fire
3 service connections.

4 c. When promulgating regulations, the commissioner shall take into
5 account the varying degrees of fire safety provided by the different
6 types of construction of existing buildings and the varying degrees of
7 hazard associated with the different types and intensity of uses in
8 existing buildings. When preparing regulations which require the
9 installation of fire safety equipment and devices, the commissioner
10 shall consult with the fire safety commission and shall take into
11 account, to the greatest extent prudent, the economic consequences of
12 the regulations and shall define different use groups and levels of
13 hazard within more general use groups, making corresponding
14 distinctions in fire safety requirements for these different uses and
15 levels of hazard. The commissioner shall also take into account the
16 desirability of maintaining the integrity of historical structures to the
17 extent that it is possible to do so without endangering human life and
18 safety. The regulations established pursuant to this subsection shall
19 apply to secured vacant buildings only to the extent necessary to
20 eliminate hazards affecting adjoining properties.

21 d. Except as otherwise provided in this act, including rules and
22 regulations promulgated hereunder, all installations of equipment and
23 other alterations to existing buildings shall be made in accordance with
24 the technical standards and administrative procedures established by
25 the commissioner pursuant to the "State Uniform Construction Code
26 Act," P.L.1975, c.217 (C.52:27D-119 et seq.) and shall be subject to
27 plan review and inspection by the local construction and subcode
28 officials having jurisdiction over the building, who shall enforce the
29 regulations established pursuant to this act applicable to the
30 installation or other alteration along with the regulations established
31 pursuant to the "State Uniform Construction Code Act."

32 e. The commissioner shall, by regulation, establish standards,
33 procedures and fees for the certification of persons engaged in the
34 business of installing fire suppression systems, for the warranting of
35 those systems, and for the establishment, funding and operation of a
36 warranty security program. A fire suppression system installed in a
37 building subject to this act shall be warranted in accordance with those
38 standards and procedures, shall be required to be covered by the
39 warranty security program, and shall be installed by a person certified
40 in accordance with those standards and procedures.

41 (1) The commissioner is authorized and directed to approve
42 alternate fire suppression system warranty security programs which
43 provide for payment of claims against sellers of these systems for
44 defects covered under the warranty provided under this subsection and
45 financial security adequate to cover the total amount of claims that
46 may be reasonably anticipated against participating sellers at least

1 equivalent to that provided by the warranty program established by
2 regulation. Any person desiring approval of a fire suppression system
3 warranty security program shall make application to the commissioner
4 in such form and manner as he shall prescribe. The commissioner may
5 establish and charge reasonable fees to cover the costs incurred in
6 reviewing and approving such applications. The commissioner shall
7 review each application and conduct any investigation he deems
8 necessary with respect to an application. The commissioner may, and
9 if an applicant so requests, he shall hold a hearing on an application in
10 accordance with the provisions of the Administrative Procedures Act,
11 P.L.1968, c.410 (C.52:14B-1 et seq.) applicable to contested cases.
12 If the commissioner finds that an alternate fire suppression system
13 warranty security program provides coverage and financial security at
14 least equivalent to the warranty security program established by
15 regulation, he shall approve the program. The commissioner may
16 revoke or suspend the approval for such a program after a hearing in
17 accordance with the same procedures applicable to hearings on
18 applications if he finds that the program no longer provides coverage
19 and financial security equivalent to the fire suppression warranty
20 security fund established pursuant to this section. The commissioner
21 may require such information as deemed necessary to effectuate the
22 purposes of this act from the individual seeking alternate program
23 approval. The commissioner shall make available copies of
24 information on any approved alternate program, upon payment of fees
25 sufficient to defray the cost of preparing and distributing those copies,
26 to any person requesting them.

27 (2) No payment shall be made from the fire suppression system
28 warranty security program established by regulation pursuant to this
29 section for any defect in a fire suppression system warranted under an
30 alternate fire suppression system warranty security program approved
31 by the commissioner. The seller of any fire suppression system
32 warranted under an approved alternate fire suppression system
33 warranty security program shall give written notice to the owner of the
34 premises, and to any subsequent owner during the period in which the
35 warranty is in effect, that the approved alternate fire suppression
36 system warranty security program has exclusive responsibility for
37 warranting that system and that no claim may be brought against the
38 fire suppression system warranty security program for defects under
39 warranty.

40 (cf: P.L.1983, c.383, s.7.)

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42 2. This act shall take effect immediately.

STATEMENT

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3 This bill would permit sellers of fire suppression systems to provide
4 their own alternate fire suppression system warranty security program
5 in lieu of the warranty program established by the commissioner
6 pursuant to section 7 of P.L.1983, c.383 (C.52:27D-198). These
7 alternate programs would be similar to those allowed under the "New
8 Home Warranty and Builder's Registration Act," P.L.1977, c.467
9 (C.46:3B-1 et seq.). These programs are required to provide the same
10 coverage and financial security of the warranty program established by
11 the State, and allow the sellers of fire suppression systems to lower
12 their costs of doing business if they are able to self-insure at a lower
13 cost. The bill requires that Commissioner of Community Affairs
14 approve all alternate warranty plans, keep records on the applicants,
15 and make available those records to the public for inspection. In
16 addition, a seller of fire suppression systems warranted under an
17 alternate plan must disclose that fact to a purchaser and a subsequent
18 purchaser while the system is under warranty. The purchaser of a
19 system warranted under an alternate program will not be permitted to
20 make a claim for defects against the plan established by the
21 commissioner, but will be limited to making all claims against the
22 approved alternate plan.

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27 Permits sellers of fire protection systems to participate in alternate
28 warranty program.