

[First Reprint]

ASSEMBLY, No. 5895

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 14, 2021

Sponsored by:

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

SYNOPSIS

Concerns construction code enforcing agency fee revenue.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 16, 2021,
with amendments.



1 AN ACT concerning enforcing agency fees under the “State Uniform
2 Construction Code Act,” P.L.1975, c.217 (C.52:27D-119 et
3 seq.), and amending P.L.1979, c.121.

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

7
8 ¹**1.**Section 3 of P.L.1979, c.121 (C.52:27D-126a) is amended to
9 read as follows:

10 3. a. Where the appointing authority of any municipality shall
11 appoint an enforcing agency and construction board of appeals
12 pursuant to section 8 of P.L.1975, c.217 (C.52:27D-126), the
13 municipal governing body by ordinance, in accordance with
14 standards established by the commissioner, shall set enforcing
15 agency fees for plan review, construction permit, certificate of
16 occupancy, demolition permit, moving of building permit, elevator
17 permit and sign permit, provided, however, that such fees shall not
18 exceed the annual costs for the operation of the enforcing agency.

19 For the three year period commencing with an enforcing
20 agency’s initial participation in the “Electronic Permit Processing
21 Review System,” developed and implemented pursuant to section 1
22 of P.L.2021, c.70 (C.52:27D-124.4 et al), the municipal governing
23 body may impose, and the enforcing agency may collect,
24 construction permit surcharge fees to defray the enforcing agency’s
25 startup costs related to offering electronic plan review and
26 scheduling. Surcharge fees shall be established in accordance with
27 standards established by the commissioner.

28 b. In any fiscal year in which the total amount of fees collected
29 by an enforcing agency exceeds, by 12 percent or more, the costs of
30 operating the enforcing agency, as described in subsection (c) of
31 N.J.A.C.5:23-4.17 on the effective date of
32 P.L. , c. (C.) (pending before the Legislature as this
33 bill) and as appropriated in the adopted municipal budget, the
34 amount of fees collected in excess of 112 percent of the total cost
35 shall lapse to the municipality’s current fund balance, provided that
36 all enforcing agency fees, and all enforcing agency operations,
37 procedures, and inspections, fully comply with all of the provisions
38 of P.L.1975, c.217 (C.52:27D-119 et seq.).

39 (cf: P.L.2021, c.70, s.3)¹

40
41 ¹1. Section 3 of P.L.1979, c.121 (C.52:27D-126a) is amended to
42 read as follows:

43 3. a. Where the appointing authority of any municipality shall
44 appoint an enforcing agency and construction board of appeals
45 pursuant to section 8 of P.L.1975, c.217 (C.52:27D-126), the

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted June 16, 2021.

1 municipal governing body by ordinance, in accordance with standards
2 established by the commissioner, shall set enforcing agency fees for
3 plan review, construction permit, certificate of occupancy, demolition
4 permit, moving of building permit, elevator permit and sign permit,
5 provided, however, that such fees shall not exceed the annual costs for
6 the operation of the enforcing agency. For the three-year period
7 commencing with an enforcing agency's initial participation in the
8 "Electronic Permit Processing Review System," developed and
9 implemented pursuant to section 1 of P.L.2021, c.70 (C.52:27D-
10 124.4), the municipal governing body may impose, and the enforcing
11 agency may collect, construction permit surcharge fees to defray the
12 enforcing agency's startup costs related to offering electronic plan
13 review and scheduling. Surcharge fees shall be established in
14 accordance with standards established by the commissioner.

15 b. Notwithstanding the provisions of subsection a. of this section,
16 in any fiscal year in which the total amount of fees collected by an
17 enforcing agency exceeds, by 12 percent or more, the total cost of
18 operating the enforcing agency, including indirect overhead expenses,
19 as appropriated in the adopted municipal budget, the amount of fees
20 collected in excess of 112 percent of the total cost, including indirect
21 overhead expenses, shall lapse to the municipality's current fund
22 balance, provided that all enforcing agency fees, and all enforcing
23 agency operations, procedures, and inspections, fully comply with all
24 of the provisions of P.L.1975, c.217 (C.52:27D-119 et seq.).

25 c. In any fiscal year in which either the total amount of fees
26 collected by an enforcing agency is less than the total costs of
27 operating the enforcing agency, or the total appropriation in the
28 adopted municipal budget for the enforcing agency is less than the
29 total cost of operating the enforcing agency, the shortfall shall be
30 satisfied by funds from either the municipality's general fund or
31 current fund balance, so as to fully comply with all of the provisions of
32 P.L.1975, c.217 (C.52:27D-119 et seq.).¹

33 (cf: P.L.2021, c.70, s.3)

34

35 2. This act shall take effect immediately.