### 40:55D-10.5 LEGISLATIVE HISTORY CHECKLIST

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			Com		ate Law Library			
LAWS OF:	2010	CHAP	TER:	9				
NJSA:	40:55D-10.5 (Modifies development application process under the "Municipal Land Use Law.")							
BILL NO:	S82	(Substituted for	A437)					
SPONSOR(S)	Rice and Others							
DATE INTROD	UCED:	January 12, 20 <sup>-</sup>	10					
COMMITTEE:		ASSEMBLY:						
		SENATE:	Comm	unity and urban A	Affairs			
AMENDED DURING PASSAGE:			No					
DATE OF PASSAGE:			MBLY: March 15, 2010					
		SENA	ſE:	March 11, 2010	)			
DATE OF APPROVAL: May 5,			2010					
FOLLOWING ARE ATTACHED IF AVAILABLE:								
FINAL TEXT OF BILL (Introduced version of bill enacted)								
S82	SDON	Yes						
SPONSOR'S STATEME COMMITTEE STATEME				egins on page 2 c	ASSEMBLY:	No		
	COIVIIV							
(Audia analaina					SENATE:	Yes		
(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, <i>may possibly</i> be found at www.njleg.state.nj.us)								
FLOOP	R AMEN	No						
LEGIS	LATIVE	FISCAL NOTE:				No		
A437								
	Yes							
	COMN	IITTEE STATEM	ENT:		ASSEMBLY:	Yes		
					SENATE:	No		
	No							
	LEGIS	LATIVE FISCAL	NOTE:			No		

(continued)	
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
EXECUTIVE ORDER #2	Yes 1-20-2010
FOLLOWING WERE PRINTED: To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <u>mailto:refdesk@njstate</u>	<u>elib.org</u>
REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	Yes
"Christie signs pro-development bill opposed by local officials, environmentalists," 2010.	NewJerseyNewsroom.com, 5-5-

"What's good for business irks others," The Star-Ledger, 5-6-2010. "Law limits towns' role with builders," The Record, 5-6-2010. "Governor Christie Signs Legislation to Improve Jersey's Business Climate," nj101.5.com, 5-6-2010.

LAW

# SENATE, No. 82

# **STATE OF NEW JERSEY** 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by: Senator RONALD L. RICE District 28 (Essex) Senator JEFF VAN DREW District 1 (Cape May, Atlantic and Cumberland)

### SYNOPSIS

Modifies development application process under the "Municipal Land Use Law".

## CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 2/5/2010)

#### **S82** RICE, VAN DREW

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AN ACT concerning the review and approval of applications for
 development and supplementing P.L.1975, c.291 (C.40:55D-1 et
 seq.).

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

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8 1. Notwithstanding any provision of law to the contrary, those 9 development regulations which are in effect on the date of submission of an application for development shall govern the 10 11 review of that application for development and any decision made with regard to that application for development. Any provisions of 12 13 an ordinance, except those relating to health and public safety, that 14 are adopted subsequent to the date of submission of an application 15 for development, shall not be applicable to that application for 16 development.

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2. This act shall take effect one year next following enactment.

### STATEMENT

This bill requires that those development regulations which are 23 24 in effect on the date of submission of an application for 25 development shall govern the review of that application for 26 development and any decision made with regard to that application 27 for development. Any provisions of an ordinance, except those relating to health and public safety, that are adopted subsequent to 28 29 the date of submission of an application for development, shall not 30 be applicable to that application for development.

# SENATE, No. 82

# **STATE OF NEW JERSEY** 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by: Senator RONALD L. RICE District 28 (Essex) Senator JEFF VAN DREW District 1 (Cape May, Atlantic and Cumberland) Assemblyman JERRY GREEN District 22 (Middlesex, Somerset and Union) Assemblywoman ALISON LITTELL MCHOSE District 24 (Sussex, Hunterdon and Morris) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

Co-Sponsored by: Assemblymen DeCroce, Prieto and Chiusano

### SYNOPSIS

Modifies development application process under the "Municipal Land Use Law".

### CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee with



(Sponsorship Updated As Of: 3/16/2010)

### S82 RICE, VAN DREW

2

AN ACT concerning the review and approval of applications for
 development and supplementing P.L.1975, c.291 (C.40:55D-1 et
 seq.).

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

8 1. Notwithstanding any provision of law to the contrary, those 9 development regulations which are in effect on the date of 10 submission of an application for development shall govern the review of that application for development and any decision made 11 12 with regard to that application for development. Any provisions of an ordinance, except those relating to health and public safety, that 13 14 are adopted subsequent to the date of submission of an application 15 for development, shall not be applicable to that application for 16 development.

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2. This act shall take effect one year next following enactment.

### STATEMENT TO

## SENATE, No. 82

# **STATE OF NEW JERSEY**

### DATED: FEBRUARY 4, 2010

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 82.

This bill would amend the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.) to change a general rule governing land use decision-making.

Under current law, a planning board or zoning board of adjustment applies the law in effect at the time it renders its decision rather than the law in effect when the issues were initially presented. Thus, a municipal governing body can currently amend its zoning ordinance after an application for development has been filed with a land use board, even in direct response to the application, and the land use board would decide the matter based upon the amended ordinance.

Under the bill, a land use board would be required to make its decision on an application for development in accordance with the development regulations that are in effect on the date the application for development is submitted. The "Municipal Land Use Law" defines the term "development regulation" as a zoning ordinance, subdivision ordinance, site plan ordinance, official map ordinance or other municipal regulation of the use and development of land, or amendment thereto. [N.J.S.A. 40:55D-3].

The bill would also exempt an application for development from changes made to ordinances other than development regulations, except for those relating to health and public safety, that are adopted after the application for development is submitted.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

# ASSEMBLY, No. 437 **STATE OF NEW JERSEY** 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by: Assemblyman JERRY GREEN District 22 (Middlesex, Somerset and Union) Assemblywoman ALISON LITTELL MCHOSE District 24 (Sussex, Hunterdon and Morris) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

Co-Sponsored by: Assemblymen DeCroce, Prieto and Chiusano

### **SYNOPSIS**

Modifies rule governing decisions under the "Municipal Land Use Law".

### **CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 2/26/2010)

#### A437 GREEN, MCHOSE

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1 AN ACT concerning the review and approval of applications for 2 development and supplementing P.L.1975, c.291 (C.40:55D-1 et 3 seq.).

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

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8 1. Notwithstanding any provision of law to the contrary, those 9 development regulations which are in effect on the date of submission of an application for development shall govern the 10 11 review of that application for development and any decision made 12 with regard to that application for development. Any provisions of 13 an ordinance, except those necessary for the protection of health 14 and public safety, that are adopted subsequent to the date of 15 submission of an application for development, shall not be applicable to that application for development. 16

2. This act shall take effect one year next following enactment.

**STATEMENT** 

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23 This bill would override the principle governing decisions under 24 the "Municipal Land Use Law," N.J.S.A. 40:55D-1 et seq., 25 commonly referred to as the "time of decision rule," by providing 26 that development regulations that are in effect on the date an 27 application for development is submitted for review will govern the 28 review of that application for development and any decision made 29 with regard to that application for development. The bill also 30 provides that any provisions of an ordinance, except those 31 necessary for the protection of health and public safety, that are 32 adopted after the date an application for development is submitted, 33 would not be applicable to that application for development.

34 Under current law, applicants are subject to changes to municipal 35 ordinances that are made after the application has been filed, and 36 even after a building permit has been issued, as long as the 37 applicant has not substantially relied on the permit. Application of this rule sometimes causes inequitable results, such as when an 38 39 applicant has expended considerable amounts of money for 40 professional services and documentation that become unusable after 41 the ordinance has been amended. While effectively prohibiting 42 municipalities from responding to an application for development 43 by changing the law to frustrate that application, the bill recognizes 44 that ordinance changes necessary for the protection of health and 45 public safety would apply to pending applications.

## ASSEMBLY HOUSING AND LOCAL GOVERNMENT COMMITTEE

### STATEMENT TO

### ASSEMBLY, No. 437

with committee amendments

# STATE OF NEW JERSEY

### DATED: MARCH 4, 2010

The Assembly Housing and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 437.

As amended, this bill would override the principle governing decisions under the "Municipal Land Use Law," N.J.S.A. 40:55D-1 et seq., commonly referred to as the "time of decision rule," by providing that development regulations that are in effect on the date an application for development is submitted for review will govern the review of that application for development. The bill also provides that any provisions of an ordinance, except those relating to health and public safety, that are adopted after the date an application for development is submitted, would not be applicable to that application for development.

Under current law, applicants are subject to changes to municipal ordinances that are made after the application has been filed, and even after a building permit has been issued, as long as the applicant has not substantially relied on the permit. Application of this rule sometimes causes inequitable results, such as when an applicant has expended considerable amounts of money for professional services and documentation that become unusable after the ordinance has been amended. While effectively prohibiting municipalities from responding to an application for development by changing the law to frustrate that application, the bill recognizes that ordinance changes necessary for the protection of health and public safety would apply to pending applications.

#### Committee amendments

The committee amended the bill to make its wording identical to Senate Bill. 82. That change involves exempting from the bill those ordinances that "relate to public health and safety" rather than those "necessary for the protection of health and public safety."

This bill was prefiled for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed. WHEREAS, New Jersey enjoys enormously valuable assets that have historically been the source of growth, income and opportunity for the State's residents and businesses; and

WHEREAS, New Jersey's enviable location and access via roads, rail, air and ports, educational resources, talent base and legacy of business leadership and invention have been and continue to be the essential ingredients of prosperity; and

WHEREAS, New Jersey's ability to leverage these assets to produce growth and opportunity is being challenged by chronically high costs and regulatory burdens that have resulted in New Jersey's consistently low rankings nationally on regulatory burdens, costs-of-doing business and similar such economic measures making New Jersey the worst business climate in the nation; and

WHEREAS, although regulations for conducting business in New Jersey exist to promote the health, safety, and economic vitality of our citizens, these goals can only be achieved when the process by which those regulations are promulgated is transparent and accessible to persons outside of government, and when those regulations are crafted in such a manner so that they are understandable, consistent and predictable; and

WHEREAS, New Jersey is committed to fostering the health, safety and economic welfare of its citizens by creating an environment that is an attractive venue for entities doing, or seeking to do, business in the State, by immediately setting course to evaluate the policies, practices, organizational structures and resources that advance or impair the State's competitiveness, including immediate, intermediate and longterm actions that will ensure that its regulations create an atmosphere in which businesses and individuals affected by those regulations are treated as partners in identifying and achieving regulatory goals; and

WHEREAS, I am now establishing "Common Sense Principles" for State rules and regulations that will give this State the opportunity to energize and encourage a competitive economy to benefit businesses and ordinary citizens;

NOW, THEREFORE, I, CHRIS CHRISTIE, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes in this State, do hereby, ORDER AND DIRECT all agencies, boards, commissions, departments and authorities over which the Governor has the power to veto minutes (collectively "State agencies") to implement and adhere to the following Common Sense Principles:

For immediate relief from regulatory burdens, State agencies shall:

a. Engage in the "advance notice of rules" by soliciting the advice and views of knowledgeable persons from outside of New Jersey State government, including the private sector and academia, in advance of any rulemaking to provide valuable insights on the proposed rules, and to prevent unworkable, overly-proscriptive or ill-advised rules from being adopted.

b. Adopt the "time of decision" rule defined as the requirement that any permit or approval shall be governed by the administrative rules, regulations and standards in effect at the time an application is filed, so that all decisions relating to that project are subject to the regulations in effect at the time of application, except where otherwise specifically provided in State or federal law.

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c. Adopt rules for "waivers" which recognize that rules can be conflicting or unduly burdensome and shall adopt regulations that allow for waivers from the strict compliance with agency regulations and such waivers shall not be inconsistent with the core missions of the agency. Each State agency shall prepare and publish on its website a policy describing the circumstances in which such waivers will be granted.

d. Employ the use of cost/benefit analyses, as well as scientific and economic research from other jurisdictions, including but not limited to the federal government when conducting an economic impact analysis on a proposed rule.

e. Detail and justify every instance where a proposed rule exceeds the requirements of federal law or regulation. State agencies shall, when promulgating proposed rules, not exceed the requirements of federal law except when required by State statute or in such circumstances where exceeding the requirements of federal law or regulation is necessary in order to achieve a New Jersey specific public policy goal.

f. Take action to cultivate an approach to regulations that values performance-based outcomes and compliance, over the punitive imposition of penalties for technical violations that do not result in negative impacts to the public health, safety or environment.

2. For intermediate relief from regulatory burdens, State agencies shall:

a. In the first 90 days of this administration and in coordination with the Red Tape Review Group's efforts, identify those regulations and processes that impede responsible

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economic development as a result of: i) providing insufficient or contradictory guidance (inter and intra-agency) to applicants for permits, thus leading to delay or denial of the permit applications; or ii) exceed legislative intent or federal standards without well-documented cause, thus placing the state at a competitive disadvantage in attracting investment and jobs.

b. Within 180 days, redraft rules and processes identified in the subsection a. of this section to ensure that each rule and process is needed to implement the underlying statute and amend or rescind rules or processes that are unnecessary, ineffective, contradictory, redundant, inefficient, needlessly burdensome, that unnecessarily impede economic growth, or that have had unintended negative consequences.

c. Within 180 days, reduce or eliminate areas of regulation where federal regulation now adequately regulates the subject matter.

d. In this intermediate period, select for earlier review those rules or processes that, in the agency's judgment, appear to be least consistent with developing and administering this Order.

3. For long-term relief from regulatory burdens, State agencies shall:

a. Draft all proposed rules and processes so that they promote transparency and predictability regarding regulatory activity, consistency of business regulation within the State, appropriate flexibility, and a reasonable balance between the underlying regulatory objectives and the burdens imposed by the regulatory activity.

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b. Adopt federally promulgated rules as written, unless separate State rules are permitted and appropriate to achieve a New Jersey specific public policy goal.

c. Focus all proposed rules on achieving outcomes rather than on the process used to achieve compliance and be based on the best scientific and technical information that can be reasonably obtained and designed so that they can be applied consistently.

d. Draft all proposed rules so they impose the least burden and costs to business, including paperwork and other compliance costs, necessary to achieve the underlying regulatory objective.

e. When possible and appropriate, provide stakeholders with compliance education and the ability to make compliance inquiries without risk of enforcement. In cases of regulatory noncompliance, an agency's enforcement response should be proportional to the circumstances and should take into consideration whether the agency contributed to the noncompliance. Before undertaking enforcement activity, and absent exceptional circumstances, the agency shall discuss the regulatory violation with the noncompliant individual or business in order to explore the possibility of resolving the matter without enforcement proceedings.

f. Waive penalties, when appropriate, for first-time or isolated paperwork or procedural regulatory noncompliance.

g. Engage in continuous regulatory process improvement including, but not limited to, eliciting customer feedback regarding their administration of regulatory responsibilities. Further, agencies shall periodically evaluate

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their regulatory performance using measurable standards, data, or other objective criteria.

4. In order to promote a common sense approach to the administration of regulations that impact business in New Jersey, State agencies shall ensure that regulations shall be efficient, consistent across State agencies, accessible and transparent to all interested parties. Accordingly, I also hereby order the following:

a. Agencies should treat those affected by their rules and regulatory processes as customers and treat them consistently across regions, offices, and departments.

b. Agencies should coordinate with each other to combine and minimize regulatory filings and to minimize worksite interruptions necessary to regulatory activity.

c. Agencies should strive to reduce the processing time for regulatory approvals, permits, licenses, and other actions requiring agency response. Additionally, agencies should work cooperatively with applicants to expedite processing, when possible, and keep in mind business deadlines and other commercial demands.

d. Agencies should require submission of the minimum amount of information necessary to administer their rules. Agencies should avoid requiring submission of intellectual property or other confidential business information and should protect it if it needs to be submitted.

e. Agencies shall, to the maximum extent feasible, leverage information systems and other technologies to improve efficiency and processes.

5. Although this Order is directed to and binding upon all personnel in the cabinet agencies and boards and

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commissions, the director, administrator, or other head of each such entity shall be accountable for implementing this Executive Order to the extent applicable and practicable within that entity.

6. This Order is not intended to, and does not confer any legal rights upon businesses or others whose activities are regulated by New Jersey's agencies, boards, commissions, or departments and shall not be used as a basis for legal challenges to rules, approvals, permits, licenses or other actions or to any inaction of the governmental entity subject to it.

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7. This Order shall take effect immediately.

GIVEN, under my hand and seal this 20th day of January, Two Thousand and Ten, and of the Independence of the United States, the Two Hundred and Thirty-Fourth.

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/s/ Chris Christie

Governor

Attest:

/s/ Jeffrey S. Chiesa

Chief Counsel to the Governor



Currently, regulations do not "lock-in" until preliminary approval is granted for an application, allowing municipalities to change the requirement of an application after its initial submission, resulting in a business that is investing in New Jersey having to start the costly, time-intensive application process over, or abandoning the project altogether.

Executive Order 2, signed in January by Governor Christie, mandated the adoption of "time of decision" rules for State agencies, while providing exceptions in cases where public health or safety are impacted or other special cases specifically addressed in State law. S-82 applies the "time of decision" rule to municipal land use approvals as well.

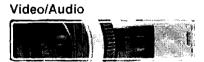
The legislation's primary sponsors were: Senator Rice, Senator Van Drew; Assemblyman Green, Assemblywoman McHose and Assemblywoman Vandervalk.

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Reports





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