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RH/CL

P.L. 2018, CHAPTER 157, *approved December 17, 2018*  
Assembly Committee Substitute for  
Assembly, No. 3731

1 AN ACT concerning county construction code enforcement and  
2 supplementing and amending P.L.1975, c.217.

3

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

6

7 1. (New section) a. As used in P.L. , c. (C. )  
8 (pending before the Legislature as this bill):

9 “Pilot county” means any county of the first class with a  
10 population of over 900,000 and a population density of less than  
11 4,000 persons per square mile according to the 2010 federal  
12 decennial census.

13 “Pilot program” means the “County Code Enforcement Pilot  
14 Program” established pursuant to subsection b. of this section.

15 b. There is established the “County Code Enforcement Pilot  
16 Program” to permit any pilot county to assume responsibility for  
17 certain construction code enforcement activities. Notwithstanding  
18 any other provision of P.L.1975, c.217 (C.52:27D-119 et seq.) to  
19 the contrary, the governing body of a pilot county may appoint, by  
20 ordinance or resolution, as applicable, a county construction  
21 official, subcode officials, and technical assistants to administer and  
22 enforce the code in regard to:

23 (1) buildings and structures owned by the pilot county,  
24 including any of its departments, divisions, bureaus, boards,  
25 councils, authorities, or other agencies; and

26 (2) a municipality located within the pilot county with which the  
27 pilot county has entered into a shared service agreement pursuant to  
28 the "Uniform Shared Services and Consolidation Act," sections 1  
29 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35),  
30 for the purposes of administering and enforcing the code.

31 c. Regardless of any shared service agreement with a  
32 municipality, if a building or structure subject to code enforcement  
33 is owned by the pilot county, then the county construction official  
34 appointed pursuant to subsection b. of this section may assume the  
35 code enforcement responsibilities of a municipal code enforcement  
36 official, including the imposition of fees for permit applications and  
37 inspections related to construction activities by private parties on  
38 county property. However, regardless of the property’s ownership,

**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.

1 a county construction official may not assume code enforcement  
2 responsibilities that the Department of Community Affairs is  
3 required to administer, pursuant to subsection c. of section 11 of  
4 P.L.1975, c.217 (C.52:27D-129) or any other provision of P.L.1975,  
5 c.217 (C.52:27D-119 et seq.).

6 d. In accordance with the "Uniform Shared Services and  
7 Consolidation Act," sections 1 through 35 of P.L.2007, c.63  
8 (C.40A:65-1 through C.40A:65-35), a municipality located within a  
9 pilot county may enter into a shared service agreement with the  
10 pilot county to administer and enforce the code.

11 e. The Commissioner of Community Affairs shall adopt rules  
12 and regulations, pursuant to the provisions of the "Administrative  
13 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate  
14 the purposes of the pilot program.

15

16 2. Section 3 of P.L.1975, c.217 (C.52:27D-121) is amended to  
17 read as follows:

18 3. Definitions. As used in **[this act]** P.L.1975, c.217  
19 (C.52:27D-119 et seq.):

20 "Building" means a structure enclosed with exterior walls or fire  
21 walls, built, erected and framed of component structural parts,  
22 designed for the housing, shelter, enclosure and support of  
23 individuals, animals or property of any kind.

24 "Business day" means any day of the year, exclusive of  
25 Saturdays, Sundays, and legal holidays.

26 "Certificate of occupancy" means the certificate provided for in  
27 section 15 of **[this act]** P.L.1975, c.217 (C.52:27D-133), indicating  
28 that the construction authorized by the construction permit has been  
29 completed in accordance with the construction permit, the State  
30 Uniform Construction Code and any ordinance implementing said  
31 code.

32 "Commissioner" means the Commissioner of Community  
33 Affairs.

34 "Code" means the State Uniform Construction Code.

35 "Commercial farm building" means any building located on a  
36 commercial farm which produces not less than \$2,500 worth of  
37 agricultural or horticultural products annually, which building's  
38 main use or intended use is related to the production of agricultural  
39 or horticultural products produced on that farm. A building shall  
40 not be regarded as a commercial farm building if more than 1,200  
41 square feet of its floor space is used for purposes other than its main  
42 use. A greenhouse constructed in conjunction with the odor control  
43 bio-filter of a solid waste or sludge composting facility, which  
44 greenhouse produces not less than \$2,500 worth of agricultural or  
45 horticultural products in addition to its function as a cover for the  
46 bio-filter, shall be considered a commercial farm building for the  
47 purposes of **[this act]** P.L.1975, c.217 (C.52:27D-119 et seq.),

1 provided, however, that the greenhouse is not intended for human  
2 occupancy.

3 "Construction" means the construction, erection, reconstruction,  
4 alteration, conversion, demolition, removal, repair or equipping of  
5 buildings or structures.

6 "Construction board of appeals" means the board provided for in  
7 section 9 of **[this act]** P.L.1975, c.217 (C.52:27D-127).

8 "Department" means the Department of Community Affairs.

9 "Enforcing agency" means the municipal or county construction  
10 official and subcode officials provided for in section 8 of **[this act]**  
11 P.L.1975, c.217 (C.52:27D-126), or section 1 of P.L. \_\_\_\_\_,  
12 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill) regarding  
13 a pilot county in the "County Code Enforcement Pilot Program,"  
14 and assistants thereto.

15 "Equipment" means plumbing, heating, electrical, ventilating, air  
16 conditioning, refrigerating and fire prevention equipment, and  
17 elevators, dumbwaiters, escalators, boilers, pressure vessels and  
18 other mechanical facilities or installations.

19 "Hearing examiner" means a person appointed by the  
20 commissioner to conduct hearings, summarize evidence, and make  
21 findings of fact.

22 "Maintenance" means the replacement or mending of existing  
23 work with equivalent materials or the provision of additional work  
24 or material for the purpose of the safety, healthfulness, and upkeep  
25 of the structure and the adherence to **[such]** the other standards of  
26 upkeep as are required in the interest of public safety, health and  
27 welfare.

28 "Manufactured home" or "mobile home" means a unit of housing  
29 which:

30 (1) Consists of one or more transportable sections which are  
31 substantially constructed off site and, if more than one section, are  
32 joined together on site;

33 (2) Is built on a permanent chassis;

34 (3) Is designed to be used, when connected to utilities, as a  
35 dwelling on a permanent or nonpermanent foundation; and

36 (4) Is manufactured in accordance with the standards  
37 promulgated for a manufactured home by the Secretary of the  
38 United States Department of Housing and Urban Development  
39 pursuant to the "National Manufactured Housing Construction and  
40 Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s. 5401 et  
41 seq.) and the standards promulgated by the commissioner pursuant  
42 to P.L.1975, c.217 (C.52:27D-119 et seq.).

43 "Municipality" means any city, borough, town, township or  
44 village.

45 "Outdoor advertising sign" means a sign required to be permitted  
46 pursuant to P.L.1991. c.413 (C.27:5-5 et seq.).

1 "Owner" means the owner or owners in fee of the property or a  
2 lesser estate therein, a mortgagee or vendee in possession, an  
3 assignee of rents, receiver, executor, trustee, lessee, or any other  
4 person, firm or corporation, directly or indirectly in control of a  
5 building, structure, or real property and shall include any  
6 subdivision thereof of the State.

7 "Premanufactured system" means an assembly of materials or  
8 products that is intended to comprise all or part of a building or  
9 structure and that is assembled off site by a repetitive process under  
10 circumstances intended to insure uniformity of quality and material  
11 content.

12 "Public school facility" means any building, or any part thereof,  
13 of a school, under college grade, owned and operated by a local,  
14 regional, or county school district.

15 "State sponsored code change proposal" means any proposed  
16 amendment or code change adopted by the commissioner in  
17 accordance with subsection c. of section 5 of **【this act】** P.L.1975,  
18 c.217 (C.52:27D-123) for the purpose of presenting **【such】** the  
19 proposed amendment or code change at any of the periodic code  
20 change hearings held by the National Model Code Adoption  
21 Agencies, the codes of which have been adopted as subcodes under  
22 **【this act】** P.L.1975, c.217 (C.52:27D-119 et seq.).

23 "Stop construction order" means the order provided for in section  
24 14 of **【this act】** P.L.1975, c.217 (C.52:27D-132).

25 "State Uniform Construction Code" means the code provided for  
26 in section 5 of **【this act】** P.L.1975, c.217 (C.52:27D-123), or any  
27 portion thereof, and any modification of or amendment thereto.

28 "Structure" means a combination of materials to form a  
29 construction for occupancy, use, or ornamentation, whether  
30 installed on, above, or below the surface of a parcel of land;  
31 provided the word "structure" shall be construed when used herein  
32 as though followed by the words "or part or parts thereof and all  
33 equipment therein" unless the context clearly requires a different  
34 meaning.

35 (cf: P.L.2004, c.42, s.9)

36

37 3. This act shall take effect immediately.

38

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40

41

42 Establishes "County Code Enforcement Pilot Program" for  
43 certain counties.

# ASSEMBLY, No. 3731

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 26, 2018

**Sponsored by:**

**Assemblyman P. CHRISTOPHER TULLY**

**District 38 (Bergen and Passaic)**

**Assemblywoman LISA SWAIN**

**District 38 (Bergen and Passaic)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**SYNOPSIS**

Allows county to establish construction code office with authority to issue construction permit for county-owned buildings and structures and enter shared service agreement with municipality for broader code enforcement responsibilities.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/18/2018)**

1 AN ACT authorizing county construction code office and  
2 supplementing and amending P.L.1975, c.217.

3

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

6

7 1. (New section) a. Notwithstanding any other provision of  
8 P.L.1975, c.217 (C.52:27D-119 et seq.), the governing body of a  
9 county shall have authority to adopt an ordinance or resolution, as  
10 applicable, to appoint a construction official, any necessary subcode  
11 officials, and technical assistants to assist such officials, to  
12 administer and enforce the code in regard to:

13 (1) buildings and structures owned by the county, including any  
14 of its departments, divisions, bureaus, boards, councils, authorities,  
15 or other agencies; and

16 (2) a municipality located within the county's boundaries, with  
17 which the county has entered into a shared service agreement  
18 pursuant to the "Uniform Shared Services and Consolidation Act,"  
19 sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through  
20 C.40A:65-35), for the purposes of administering and enforcing the  
21 code.

22 b. Regardless of any shared service agreement with a  
23 municipality, if a building or structure subject to code enforcement  
24 is owned by the county, then the county construction official,  
25 appointed pursuant to subsection a. of this section, may assume  
26 code enforcement responsibilities that could otherwise be the  
27 responsibility of a municipal code enforcement official, including  
28 the imposition of fees for permit applications and inspections  
29 related to construction activities by private parties on county  
30 property. However, regardless of the property's ownership, a  
31 county construction official may not assume code enforcement  
32 responsibilities that the Department of Community Affairs is  
33 required to administer, pursuant to subsection c. of section 11 of  
34 P.L.1975, c.217 (C.52:27D-129) or any other provision of P.L.1975,  
35 c.217 (C.52:27D-119 et seq.).

36 c. In accordance with the "Uniform Shared Services and  
37 Consolidation Act," sections 1 through 35 of P.L.2007, c.63  
38 (C.40A:65-1 through C.40A:65-35), a municipality may enter into a  
39 shared service agreement with the county in which it is located to  
40 administer and enforce the code.

41 d. The Commissioner of Community Affairs may adopt rules  
42 and regulations, pursuant to the provisions of the "Administrative  
43 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as may be  
44 deemed necessary to implement and administer the provisions of  
45 this section.

**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.**



A3731 TULLY, SWAIN

3

1       2. Section 3 of P.L.1975, c.217 (C.52:27D-121) is amended to  
2 read as follows:

3       3. Definitions. As used in this act:

4       "Building" means a structure enclosed with exterior walls or fire  
5 walls, built, erected and framed of component structural parts,  
6 designed for the housing, shelter, enclosure and support of  
7 individuals, animals or property of any kind.

8       "Business day" means any day of the year, exclusive of  
9 Saturdays, Sundays, and legal holidays.

10       "Certificate of occupancy" means the certificate provided for in  
11 section 15 of this act, indicating that the construction authorized by  
12 the construction permit has been completed in accordance with the  
13 construction permit, the State Uniform Construction Code and any  
14 ordinance implementing said code.

15       "Commissioner" means the Commissioner of Community  
16 Affairs.

17       "Code" means the State Uniform Construction Code.

18       "Commercial farm building" means any building located on a  
19 commercial farm which produces not less than \$2,500 worth of  
20 agricultural or horticultural products annually, which building's  
21 main use or intended use is related to the production of agricultural  
22 or horticultural products produced on that farm. A building shall  
23 not be regarded as a commercial farm building if more than 1,200  
24 square feet of its floor space is used for purposes other than its main  
25 use. A greenhouse constructed in conjunction with the odor control  
26 bio-filter of a solid waste or sludge composting facility, which  
27 greenhouse produces not less than \$2,500 worth of agricultural or  
28 horticultural products in addition to its function as a cover for the  
29 bio-filter, shall be considered a commercial farm building for the  
30 purposes of this act, provided, however, that the greenhouse is not  
31 intended for human occupancy.

32       "Construction" means the construction, erection, reconstruction,  
33 alteration, conversion, demolition, removal, repair or equipping of  
34 buildings or structures.

35       "Construction board of appeals" means the board provided for in  
36 section 9 of this act.

37       "Department" means the Department of Community Affairs.

38       "Enforcing agency" means the municipal or county construction  
39 official and subcode officials provided for in section 8 of this act, or  
40 in section 1 of P.L. , c. (C. ) (pending before the Legislature  
41 as this bill) regarding a county enforcing agency, and assistants  
42 thereto.

43       "Equipment" means plumbing, heating, electrical, ventilating, air  
44 conditioning, refrigerating and fire prevention equipment, and  
45 elevators, dumbwaiters, escalators, boilers, pressure vessels and  
46 other mechanical facilities or installations.

1 "Hearing examiner" means a person appointed by the  
2 commissioner to conduct hearings, summarize evidence, and make  
3 findings of fact.

4 "Maintenance" means the replacement or mending of existing  
5 work with equivalent materials or the provision of additional work  
6 or material for the purpose of the safety, healthfulness, and upkeep  
7 of the structure and the adherence to such other standards of upkeep  
8 as are required in the interest of public safety, health and welfare.

9 "Manufactured home" or "mobile home" means a unit of housing  
10 which:

11 (1) Consists of one or more transportable sections which are  
12 substantially constructed off site and, if more than one section, are  
13 joined together on site;

14 (2) Is built on a permanent chassis;

15 (3) Is designed to be used, when connected to utilities, as a  
16 dwelling on a permanent or nonpermanent foundation; and

17 (4) Is manufactured in accordance with the standards  
18 promulgated for a manufactured home by the Secretary of the  
19 United States Department of Housing and Urban Development  
20 pursuant to the "National Manufactured Housing Construction and  
21 Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s. 5401 et  
22 seq.) and the standards promulgated by the commissioner pursuant  
23 to P.L.1975, c.217 (C.52:27D-119 et seq.).

24 "Municipality" means any city, borough, town, township or  
25 village.

26 "Outdoor advertising sign" means a sign required to be permitted  
27 pursuant to P.L.1991. c.413 (C.27:5-5 et seq.).

28 "Owner" means the owner or owners in fee of the property or a  
29 lesser estate therein, a mortgagee or vendee in possession, an  
30 assignee of rents, receiver, executor, trustee, lessee, or any other  
31 person, firm or corporation, directly or indirectly in control of a  
32 building, structure, or real property and shall include any  
33 subdivision thereof of the State.

34 "Premanufactured system" means an assembly of materials or  
35 products that is intended to comprise all or part of a building or  
36 structure and that is assembled off site by a repetitive process under  
37 circumstances intended to insure uniformity of quality and material  
38 content.

39 "Public school facility" means any building, or any part thereof,  
40 of a school, under college grade, owned and operated by a local,  
41 regional, or county school district.

42 "State sponsored code change proposal" means any proposed  
43 amendment or code change adopted by the commissioner in  
44 accordance with subsection c. of section 5 of this act for the  
45 purpose of presenting such proposed amendment or code change at  
46 any of the periodic code change hearings held by the National  
47 Model Code Adoption Agencies, the codes of which have been  
48 adopted as subcodes under this act.

1 "Stop construction order" means the order provided for in section  
2 14 of this act.

3 "State Uniform Construction Code" means the code provided for  
4 in section 5 of this act, or any portion thereof, and any modification  
5 of or amendment thereto.

6 "Structure" means a combination of materials to form a  
7 construction for occupancy, use, or ornamentation, whether  
8 installed on, above, or below the surface of a parcel of land;  
9 provided the word "structure" shall be construed when used herein  
10 as though followed by the words "or part or parts thereof and all  
11 equipment therein" unless the context clearly requires a different  
12 meaning.

13 (cf: P.L.2004, c.42, s.9)

14

15 3. Section 10 of P.L.1975, c.217 (C.52:27D-128) is amended to  
16 read as follows:

17 Whenever a municipality or several municipalities decide not to  
18 administer and enforce the code or enter into a shared services  
19 agreement with the county in which they are located, pursuant to  
20 the "Uniform Shared Services and Consolidation Act," sections 1  
21 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35)  
22 for the purpose of enforcing the code, and request the commissioner  
23 to assume that task, the commissioner shall by regulation provide  
24 for the enforcement of the code and this act in said municipality or  
25 municipalities and for payment to the State of fees necessary to  
26 defray the expenses in furtherance of that end and the commissioner  
27 shall have all the powers conferred by this act upon any municipal  
28 governing body, chief executive, or enforcing agency and all other  
29 powers necessary and convenient to that end, provided that the  
30 commissioner shall provide a departmental appeal in lieu of an  
31 appeal to a municipal or joint construction board of appeals.

32 The commissioner shall hold hearings pursuant to **[section 6c.]**  
33 subsection c. of section 6 of this act in order to establish regulations  
34 defining the operation of this section.

35 (cf: P.L.1975, c.217, s.10)

36

37 4. This act shall take effect immediately.

38

39

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#### STATEMENT

41

42 This bill would authorize a county's governing body to adopt an  
43 ordinance or resolution to appoint a construction official, and any  
44 necessary subcode officials and technical assistants, to administer  
45 and enforce the "State Uniform Construction Code Act," P.L.1975,  
46 c.217 (C.52:27D-119 et seq.), in regard to buildings and structures  
47 owned by the county. Additionally, the bill would allow a  
48 municipality to enter into a shared services agreement with the

**A3731 TULLY, SWAIN**

6

1 county in which it is located, pursuant to the "Uniform Shared  
2 Services and Consolidation Act," sections 1 through 35 of P.L.2007,  
3 c.63 (C.40A:65-1 through C.40A:65-35), for the purpose of  
4 enforcing the code.

5       Regardless of any shared service agreement with a municipality,  
6 if a building or structure subject to code enforcement is owned by  
7 the county, then this bill would authorize the county construction  
8 official to assume code enforcement responsibilities that could  
9 otherwise be the responsibility of a municipal code enforcement  
10 official. However, regardless of the property's ownership, this bill  
11 would not authorize a county construction official to assume code  
12 enforcement responsibilities that the Department of Community  
13 Affairs is required to administer.

ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3731**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 13, 2018

The Assembly Housing and Community Development Committee reports favorably Assembly Bill No. 3731.

This bill would authorize a county's governing body to adopt an ordinance or resolution to appoint a construction official, and any necessary subcode officials and technical assistants, to administer and enforce the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.), in regard to buildings and structures owned by the county. Additionally, the bill would allow a municipality to enter into a shared services agreement with the county in which it is located, pursuant to the "Uniform Shared Services and Consolidation Act," sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35), for the purpose of enforcing the code.

Regardless of any shared service agreement with a municipality, if a building or structure subject to code enforcement is owned by the county, then this bill would authorize the county construction official to assume code enforcement responsibilities that could otherwise be the responsibility of a municipal code enforcement official. However, regardless of the property's ownership, this bill would not authorize a county construction official to assume code enforcement responsibilities that the Department of Community Affairs is required to administer.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3731

# STATE OF NEW JERSEY

DATED: OCTOBER 22, 2018

The Assembly Appropriations Committee reports favorably a Committee Substitute for Assembly Bill No. 3731.

The Assembly Committee Substitute for Assembly Bill No. 3731 establishes the “County Code Enforcement Pilot Program,” which authorizes the governing body of a pilot county to appoint a construction official, subcode officials, and technical assistants to administer and enforce the “State Uniform Construction Code Act,” P.L.1975, c.217 (C.52:27D-119 et seq.) with respect to certain properties. The substitute also permits a municipality located within a pilot county to enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code.

Under the substitute, a pilot county is defined as any county of the first class with a population of over 900,000 and a population density of less than 4,000 persons per square mile according to the 2010 federal decennial census. Only Bergen County qualifies as a pilot county under this definition.

Specifically, the substitute permits the pilot county to appoint a construction official to assume construction code enforcement responsibilities for: (1) buildings and structures owned by the pilot county, including any of its departments, divisions, bureaus, boards, councils, authorities, or other agencies; and (2) municipalities located within the pilot county that enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code. The substitute provides that the county construction official may not assume code enforcement responsibilities concerning any property for which the Department of Community Affairs is required to administer and enforce the construction code.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the County Code Enforcement Pilot Program would have an indeterminate annual impact on county and municipal finances.

If the pilot county (i.e., Bergen County) appoints a construction official, as permitted under the substitute, the county is expected to experience a moderate increase in operational costs associated with administering the construction code. Under current law, counties

currently are not required to pay municipalities for code enforcement services. As a result, the administration of construction code activities would constitute a new expense for the pilot county. However, the appointment of a county construction official may reduce the workload of certain municipal construction officials in the pilot county, which currently assume the code enforcement responsibilities for county-owned properties located within their jurisdiction.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY COMMITTEE SUBSTITUTE FOR**  
**ASSEMBLY, No. 3731**  
**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

DATED: OCTOBER 29, 2018

**SUMMARY**

**Synopsis:** Establishes “County Code Enforcement Pilot Program” for certain counties.

**Type of Impact:** Indeterminate impact on local finances.

**Agencies Affected:** Bergen County and municipalities located in Bergen County.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>Local Cost</b>		Indeterminate Impact	
<b>Local Revenue</b>		Indeterminate Impact	

- The Office of Legislative Services (OLS) estimates that the enactment of the bill would have an indeterminate impact on county and municipal finances. The OLS is unable to quantify the fiscal impact of the bill given the permissive nature of the bill.
- The bill establishes the “County Code Enforcement Pilot Program,” which permits a pilot county (i.e., Bergen County) to appoint a construction official, subcode officials, and technical assistants to administer and enforce the construction code for: (1) county-owned properties, and (2) municipalities in the pilot county that enter into a shared service agreement with the county for code enforcement services.
- If the pilot county appoints a construction official, the county is expected to experience a moderate increase in personnel and operational costs associated with administering the construction code. The appointment of a county construction official also may reduce the workload of certain municipalities in the pilot county that currently administer the construction code for county-owned properties.
- A municipality in the pilot county that enters into a shared service agreement with the pilot county for code enforcement services, as permitted in the bill, may reduce long-term personnel costs associated with employing construction and subcode officials. However,





those municipalities may incur moderate short-term cost increases due to the issuance of terminal leave payments and compensation for the unused leave time of terminated officials.

- The OLS notes that certain municipalities, which currently employ tenured construction and subcode officials, may be unable to terminate those officials in order to effectuate a shared service agreement. As a result, those municipalities are unlikely to enter into a shared service agreement with the pilot county for the purpose of construction code enforcement, thereby reducing the number of municipalities that may experience cost savings as a result of the bill.

## **BILL DESCRIPTION**

The bill establishes the “County Code Enforcement Pilot Program,” which would authorize the governing body of a pilot county to appoint a construction official, subcode officials, and technical assistants to administer and enforce the “State Uniform Construction Code Act,” P.L.1975, c.217 (C.52:27D-119 et seq.) with respect to certain properties. The bill also permits a municipality located within a pilot county to enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code.

Under the bill, a pilot county is defined as any county of the first class with a population of over 900,000 and a population density of less than 4,000 persons per square mile according to the 2010 federal decennial census. Only Bergen County qualifies as a pilot county under this definition.

Specifically, the bill would permit the pilot county to appoint a construction official to assume construction code enforcement responsibilities for: (1) buildings and structures owned by the pilot county, including any of its departments, divisions, bureaus, boards, councils, authorities, or other agencies; and (2) municipalities located within the pilot county that enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code. Under the bill, the county construction official would not, however, be authorized to assume code enforcement responsibilities concerning any property for which the Department of Community Affairs is required to administer and enforce the construction code.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the enactment of the bill, which establishes the “County Code Enforcement Pilot Program,” would have an indeterminate impact on county and municipal finances. However, given the permissive nature of the bill, the OLS is unable to quantify the fiscal impact of the bill.

Under the bill, the governing body of a pilot county (i.e., Bergen County) would be permitted to appoint a construction official, subcode officials, and technical assistants to assume construction code enforcement responsibilities for: (1) county-owned buildings and structures,

and (2) municipalities located in the pilot county that enter into a shared service agreement with the county for the purpose of code enforcement. Currently, municipal construction officials administer and enforce the construction code for county-owned buildings and structures located within the jurisdiction of their municipality.

If the pilot county appoints a construction official, as permitted in the bill, the county is expected to incur a moderate increase in expenditures arising from the personnel and operational costs associated with administering and enforcing the construction code. The OLS notes that pursuant to section 1 of P.L.1985, c.409 (C.52:27D-126c), county-owned buildings are exempt from municipal fees and charges associated with construction code activities. Given that counties currently do not pay municipalities for code enforcement services, the administration of construction code activities would constitute a new expense for the pilot county. However, the appointment of a county construction official may reduce the workload of certain municipal construction officials in the pilot county, which currently assume the code enforcement responsibilities for county-owned properties located within their jurisdiction.

The bill also permits a municipality located within the pilot county to enter into a shared service agreement with the county, assuming that the pilot county appointed a construction official, for the purpose of administering and enforcing the construction code. If a municipality entered into a shared service agreement with the pilot county, the revenues previously collected by the municipality for code enforcement activities would instead be collected by the pilot county.

In addition, although a municipality that enters into a shared service agreement pursuant to this bill may reduce long-term personnel costs associated with maintaining construction and subcode officials, those municipalities may incur moderate short-term cost increases due to the issuance of terminal leave payments and compensation for the unused leave time of terminated officials. Specifically, the "Uniform Shared Services and Consolidation Act," sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35), provides that any official who has been terminated for reasons of economy or efficiency due to a shared service agreement is entitled to receive a terminal leave payment. Under the law, a terminal leave payment is a single, lump sum payment that is equal to one month of the official's base salary for each five-year period of employment.

However, the OLS also notes that the tenure protections held by certain municipal construction and subcode officials may prevent some municipalities from terminating those officials in order to effectuate a shared service agreement. Most notably, under section 8 of P.L.1975, c.217 (C.52:27D-126), a construction or subcode official employed by a non-civil service municipality may only be terminated for just cause after a fair and impartial hearing, if the official: (1) was re-appointed to a second consecutive term after serving for a term of four years; or (2) completed five consecutive years of service in the position. The law also provides that a construction or subcode official appointed after January 1, 1981 on a provisional basis in a civil service municipality may only be terminated for just cause after a fair and impartial hearing, provided certain exceptions. As a result, municipalities that employ tenured construction officials would be unlikely to enter into a shared service agreement with the pilot county for the purposes of administering the construction code, thereby reducing the number of municipalities that may experience cost savings as a result of the bill.

Given the permissive nature of the bill, the OLS is unable to predict the number of: (1) employees that would be hired by the pilot county to administer and enforce the construction code, and (2) municipalities that would enter into a shared service agreement with the pilot county for the purposes of administering and enforcing the construction code. As a result, the OLS is unable to quantify the impact of the bill on county and municipal finances.

FE to ACS for A3731

4

*Section: Local Government*

*Analyst: Joseph A. Pezzulo  
Assistant Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**SENATE, No. 2636**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED JUNE 4, 2018

**Sponsored by:**

**Senator JOSEPH A. LAGANA**  
**District 38 (Bergen and Passaic)**

**SYNOPSIS**

Allows county to establish construction code office with authority to issue construction permit for county-owned buildings and structures and enter shared service agreement with municipality for broader code enforcement responsibilities.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT authorizing county construction code office and  
2 supplementing and amending P.L.1975, c.217.

3

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

6

7 1. (New section) a. Notwithstanding any other provision of  
8 P.L.1975, c.217 (C.52:27D-119 et seq.), the governing body of a  
9 county shall have authority to adopt an ordinance or resolution, as  
10 applicable, to appoint a construction official, any necessary subcode  
11 officials, and technical assistants to assist such officials, to  
12 administer and enforce the code in regard to:

13 (1) buildings and structures owned by the county, including any  
14 of its departments, divisions, bureaus, boards, councils, authorities,  
15 or other agencies; and

16 (2) a municipality located within the county's boundaries, with  
17 which the county has entered into a shared service agreement  
18 pursuant to the "Uniform Shared Services and Consolidation Act,"  
19 sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through  
20 C.40A:65-35), for the purposes of administering and enforcing the  
21 code.

22 b. Regardless of any shared service agreement with a  
23 municipality, if a building or structure subject to code enforcement  
24 is owned by the county, then the county construction official,  
25 appointed pursuant to subsection a. of this section, may assume  
26 code enforcement responsibilities that could otherwise be the  
27 responsibility of a municipal code enforcement official, including  
28 the imposition of fees for permit applications and inspections  
29 related to construction activities by private parties on county  
30 property. However, regardless of the property's ownership, a  
31 county construction official may not assume code enforcement  
32 responsibilities that the Department of Community Affairs is  
33 required to administer, pursuant to subsection c. of section 11 of  
34 P.L.1975, c.217 (C.52:27D-129) or any other provision of P.L.1975,  
35 c.217 (C.52:27D-119 et seq.).

36 c. In accordance with the "Uniform Shared Services and  
37 Consolidation Act," sections 1 through 35 of P.L.2007, c.63  
38 (C.40A:65-1 through C.40A:65-35), a municipality may enter into a  
39 shared service agreement with the county in which it is located to  
40 administer and enforce the code.

41 d. The Commissioner of Community Affairs may adopt rules  
42 and regulations, pursuant to the provisions of the "Administrative  
43 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as may be  
44 deemed necessary to implement and administer the provisions of  
45 this section.

**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.

1       2. Section 3 of P.L.1975, c.217 (C.52:27D-121) is amended to  
2 read as follows:

3       3. Definitions. As used in this act:

4       "Building" means a structure enclosed with exterior walls or fire  
5 walls, built, erected and framed of component structural parts,  
6 designed for the housing, shelter, enclosure and support of  
7 individuals, animals or property of any kind.

8       "Business day" means any day of the year, exclusive of  
9 Saturdays, Sundays, and legal holidays.

10       "Certificate of occupancy" means the certificate provided for in  
11 section 15 of this act, indicating that the construction authorized by  
12 the construction permit has been completed in accordance with the  
13 construction permit, the State Uniform Construction Code and any  
14 ordinance implementing said code.

15       "Commissioner" means the Commissioner of Community  
16 Affairs.

17       "Code" means the State Uniform Construction Code.

18       "Commercial farm building" means any building located on a  
19 commercial farm which produces not less than \$2,500 worth of  
20 agricultural or horticultural products annually, which building's  
21 main use or intended use is related to the production of agricultural  
22 or horticultural products produced on that farm. A building shall  
23 not be regarded as a commercial farm building if more than 1,200  
24 square feet of its floor space is used for purposes other than its main  
25 use. A greenhouse constructed in conjunction with the odor control  
26 bio-filter of a solid waste or sludge composting facility, which  
27 greenhouse produces not less than \$2,500 worth of agricultural or  
28 horticultural products in addition to its function as a cover for the  
29 bio-filter, shall be considered a commercial farm building for the  
30 purposes of this act, provided, however, that the greenhouse is not  
31 intended for human occupancy.

32       "Construction" means the construction, erection, reconstruction,  
33 alteration, conversion, demolition, removal, repair or equipping of  
34 buildings or structures.

35       "Construction board of appeals" means the board provided for in  
36 section 9 of this act.

37       "Department" means the Department of Community Affairs.

38       "Enforcing agency" means the municipal or county construction  
39 official and subcode officials provided for in section 8 of this act, or  
40 in section 1 of P.L. , c. (C. ) (pending before the Legislature  
41 as this bill) regarding a county enforcing agency, and assistants  
42 thereto.

43       "Equipment" means plumbing, heating, electrical, ventilating, air  
44 conditioning, refrigerating and fire prevention equipment, and  
45 elevators, dumbwaiters, escalators, boilers, pressure vessels and  
46 other mechanical facilities or installations.

1 "Hearing examiner" means a person appointed by the  
2 commissioner to conduct hearings, summarize evidence, and make  
3 findings of fact.

4 "Maintenance" means the replacement or mending of existing  
5 work with equivalent materials or the provision of additional work  
6 or material for the purpose of the safety, healthfulness, and upkeep  
7 of the structure and the adherence to such other standards of upkeep  
8 as are required in the interest of public safety, health and welfare.

9 "Manufactured home" or "mobile home" means a unit of housing  
10 which:

11 (1) Consists of one or more transportable sections which are  
12 substantially constructed off site and, if more than one section, are  
13 joined together on site;

14 (2) Is built on a permanent chassis;

15 (3) Is designed to be used, when connected to utilities, as a  
16 dwelling on a permanent or nonpermanent foundation; and

17 (4) Is manufactured in accordance with the standards  
18 promulgated for a manufactured home by the Secretary of the  
19 United States Department of Housing and Urban Development  
20 pursuant to the "National Manufactured Housing Construction and  
21 Safety Standards Act of 1974," Pub.L.93-383 (42 U.S.C. s. 5401 et  
22 seq.) and the standards promulgated by the commissioner pursuant  
23 to P.L.1975, c.217 (C.52:27D-119 et seq.).

24 "Municipality" means any city, borough, town, township or  
25 village.

26 "Outdoor advertising sign" means a sign required to be permitted  
27 pursuant to P.L.1991. c.413 (C.27:5-5 et seq.).

28 "Owner" means the owner or owners in fee of the property or a  
29 lesser estate therein, a mortgagee or vendee in possession, an  
30 assignee of rents, receiver, executor, trustee, lessee, or any other  
31 person, firm or corporation, directly or indirectly in control of a  
32 building, structure, or real property and shall include any  
33 subdivision thereof of the State.

34 "Premanufactured system" means an assembly of materials or  
35 products that is intended to comprise all or part of a building or  
36 structure and that is assembled off site by a repetitive process under  
37 circumstances intended to insure uniformity of quality and material  
38 content.

39 "Public school facility" means any building, or any part thereof,  
40 of a school, under college grade, owned and operated by a local,  
41 regional, or county school district.

42 "State sponsored code change proposal" means any proposed  
43 amendment or code change adopted by the commissioner in  
44 accordance with subsection c. of section 5 of this act for the  
45 purpose of presenting such proposed amendment or code change at  
46 any of the periodic code change hearings held by the National  
47 Model Code Adoption Agencies, the codes of which have been  
48 adopted as subcodes under this act.

1 "Stop construction order" means the order provided for in section  
2 14 of this act.

3 "State Uniform Construction Code" means the code provided for  
4 in section 5 of this act, or any portion thereof, and any modification  
5 of or amendment thereto.

6 "Structure" means a combination of materials to form a  
7 construction for occupancy, use, or ornamentation, whether  
8 installed on, above, or below the surface of a parcel of land;  
9 provided the word "structure" shall be construed when used herein  
10 as though followed by the words "or part or parts thereof and all  
11 equipment therein" unless the context clearly requires a different  
12 meaning.

13 (cf: P.L.2004, c.42, s.9)

14

15 3. Section 10 of P.L.1975, c.217 (C.52:27D-128) is amended to  
16 read as follows:

17 Whenever a municipality or several municipalities decide not to  
18 administer and enforce the code or enter into a shared services  
19 agreement with the county in which they are located, pursuant to  
20 the "Uniform Shared Services and Consolidation Act," sections 1  
21 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35)  
22 for the purpose of enforcing the code, and request the commissioner  
23 to assume that task, the commissioner shall by regulation provide  
24 for the enforcement of the code and this act in said municipality or  
25 municipalities and for payment to the State of fees necessary to  
26 defray the expenses in furtherance of that end and the commissioner  
27 shall have all the powers conferred by this act upon any municipal  
28 governing body, chief executive, or enforcing agency and all other  
29 powers necessary and convenient to that end, provided that the  
30 commissioner shall provide a departmental appeal in lieu of an  
31 appeal to a municipal or joint construction board of appeals.

32 The commissioner shall hold hearings pursuant to **[section 6c.]**  
33 subsection c. of section 6 of this act in order to establish regulations  
34 defining the operation of this section.

35 (cf: P.L.1975, c.217, s.10)

36

37 4. This act shall take effect immediately.

38

39

40

#### STATEMENT

41

42 This bill would authorize a county's governing body to adopt an  
43 ordinance or resolution to appoint a construction official, and any  
44 necessary subcode officials and technical assistants, to administer  
45 and enforce the "State Uniform Construction Code Act," P.L.1975,  
46 c.217 (C.52:27D-119 et seq.), in regard to buildings and structures  
47 owned by the county. Additionally, the bill would allow a  
48 municipality to enter into a shared services agreement with the



**S2636 LAGANA**

6

1 county in which it is located, pursuant to the "Uniform Shared  
2 Services and Consolidation Act," sections 1 through 35 of P.L.2007,  
3 c.63 (C.40A:65-1 through C.40A:65-35), for the purpose of  
4 enforcing the code.

5       Regardless of any shared service agreement with a municipality,  
6 if a building or structure subject to code enforcement is owned by  
7 the county, then this bill would authorize the county construction  
8 official to assume code enforcement responsibilities that could  
9 otherwise be the responsibility of a municipal code enforcement  
10 official. However, regardless of the property's ownership, this bill  
11 would not authorize a county construction official to assume code  
12 enforcement responsibilities that the Department of Community  
13 Affairs is required to administer.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 2636

# STATE OF NEW JERSEY

DATED: OCTOBER 22, 2018

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2636.

This substitute bill establishes the “County Code Enforcement Pilot Program,” which authorizes the governing body of a pilot county to appoint a construction official, subcode officials, and technical assistants to administer and enforce the “State Uniform Construction Code Act,” P.L.1975, c.217 (C.52:27D-119 et seq.) with respect to certain properties. The substitute also permits a municipality located within a pilot county to enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code.

Under the substitute, a pilot county is defined as any county of the first class with a population of over 900,000 and a population density of less than 4,000 persons per square mile according to the 2010 federal decennial census. Only Bergen County qualifies as a pilot county under this definition.

Specifically, the substitute permits the pilot county to appoint a construction official to assume construction code enforcement responsibilities for: (1) buildings and structures owned by the pilot county, including any of its departments, divisions, bureaus, boards, councils, authorities, or other agencies; and (2) municipalities located within the pilot county that enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code. Under the substitute, the county construction official would not, however, be authorized to assume code enforcement responsibilities concerning any property for which the Department of Community Affairs is required to administer and enforce the construction code.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the enactment of the bill would have an indeterminate impact on county and municipal finances. The OLS is unable to quantify the fiscal impact of the bill given the permissive nature of the bill.

The bill establishes the “County Code Enforcement Pilot Program,” which permits a pilot county (i.e., Bergen County) to

appoint a construction official, subcode officials, and technical assistants to administer and enforce the construction code for: (1) county-owned properties, and (2) municipalities in the pilot county that enter into a shared service agreement with the county for code enforcement services.

If the pilot county appoints a construction official, the county is expected to experience a moderate increase in personnel and operational costs associated with administering the construction code. The appointment of a county construction official also may reduce the workload of certain municipalities in the pilot county that currently administer the construction code for county-owned properties.

A municipality in the pilot county that enters into a shared service agreement with the pilot county for code enforcement services, as permitted in the bill, may reduce long-term personnel costs associated with employing construction and subcode officials. However, those municipalities may incur moderate short-term cost increases due to the issuance of terminal leave payments and compensation for the unused leave time of terminated officials.

The OLS notes that certain municipalities, which currently employ tenured construction and subcode officials, may be unable to terminate those officials in order to effectuate a shared service agreement. As a result, those municipalities are unlikely to enter into a shared service agreement with the pilot county for the purpose of construction code enforcement, thereby reducing the number of municipalities that may experience cost savings as a result of the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE COMMITTEE SUBSTITUTE FOR**  
**SENATE, No. 2636**  
**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

DATED: OCTOBER 25, 2018

**SUMMARY**

- Synopsis:** Establishes “County Code Enforcement Pilot Program” for certain counties.
- Type of Impact:** Indeterminate impact on local finances.
- Agencies Affected:** Bergen County and municipalities located in Bergen County.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>Local Cost</b>		Indeterminate Impact	
<b>Local Revenue</b>		Indeterminate Impact	

- The Office of Legislative Services (OLS) estimates that the enactment of the bill would have an indeterminate impact on county and municipal finances. The OLS is unable to quantify the fiscal impact of the bill given the permissive nature of the bill.
- The bill establishes the “County Code Enforcement Pilot Program,” which permits a pilot county (i.e., Bergen County) to appoint a construction official, subcode officials, and technical assistants to administer and enforce the construction code for: (1) county-owned properties, and (2) municipalities in the pilot county that enter into a shared service agreement with the county for code enforcement services.
- If the pilot county appoints a construction official, the county is expected to experience a moderate increase in personnel and operational costs associated with administering the construction code. The appointment of a county construction official also may reduce the workload of certain municipalities in the pilot county that currently administer the construction code for county-owned properties.
- A municipality in the pilot county that enters into a shared service agreement with the pilot county for code enforcement services, as permitted in the bill, may reduce long-term personnel costs associated with employing construction and subcode officials. However,



those municipalities may incur moderate short-term cost increases due to the issuance of terminal leave payments and compensation for the unused leave time of terminated officials.

- The OLS notes that certain municipalities, which currently employ tenured construction and subcode officials, may be unable to terminate those officials in order to effectuate a shared service agreement. As a result, those municipalities are unlikely to enter into a shared service agreement with the pilot county for the purpose of construction code enforcement, thereby reducing the number of municipalities that may experience cost savings as a result of the bill.

## **BILL DESCRIPTION**

The bill establishes the “County Code Enforcement Pilot Program,” which would authorize the governing body of a pilot county to appoint a construction official, subcode officials, and technical assistants to administer and enforce the “State Uniform Construction Code Act,” P.L.1975, c.217 (C.52:27D-119 et seq.) with respect to certain properties. The bill also permits a municipality located within a pilot county to enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code.

Under the bill, a pilot county is defined as any county of the first class with a population of over 900,000 and a population density of less than 4,000 persons per square mile according to the 2010 federal decennial census. Only Bergen County qualifies as a pilot county under this definition.

Specifically, the bill would permit the pilot county to appoint a construction official to assume construction code enforcement responsibilities for: (1) buildings and structures owned by the pilot county, including any of its departments, divisions, bureaus, boards, councils, authorities, or other agencies; and (2) municipalities located within the pilot county that enter into a shared service agreement with the county for the purposes of administering and enforcing the construction code. Under the bill, the county construction official would not, however, be authorized to assume code enforcement responsibilities concerning any property for which the Department of Community Affairs is required to administer and enforce the construction code.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the enactment of the bill, which establishes the “County Code Enforcement Pilot Program,” would have an indeterminate impact on county and municipal finances. However, given the permissive nature of the bill, the OLS is unable to quantify the fiscal impact of the bill.

Under the bill, the governing body of a pilot county (i.e., Bergen County) would be permitted to appoint a construction official, subcode officials, and technical assistants to assume construction code enforcement responsibilities for: (1) county-owned buildings and structures,

and (2) municipalities located in the pilot county that enter into a shared service agreement with the county for the purpose of code enforcement. Currently, municipal construction officials administer and enforce the construction code for county-owned buildings and structures located within the jurisdiction of their municipality.

If the pilot county appoints a construction official, as permitted in the bill, the county is expected to incur a moderate increase in expenditures arising from the personnel and operational costs associated with administering and enforcing the construction code. The OLS notes that pursuant to section 1 of P.L.1985, c.409 (C.52:27D-126c), county-owned buildings are exempt from municipal fees and charges associated with construction code activities. Given that counties currently do not pay municipalities for code enforcement services, the administration of construction code activities would constitute a new expense for the pilot county. However, the appointment of a county construction official may reduce the workload of certain municipal construction officials in the pilot county, which currently assume the code enforcement responsibilities for county-owned properties located within their jurisdiction.

The bill also permits a municipality located within the pilot county to enter into a shared service agreement with the county, assuming that the pilot county appointed a construction official, for the purpose of administering and enforcing the construction code. If a municipality entered into a shared service agreement with the pilot county, the revenues previously collected by the municipality for code enforcement activities would instead be collected by the pilot county.

In addition, although a municipality that enters into a shared service agreement pursuant to this bill may reduce long-term personnel costs associated with maintaining construction and subcode officials, those municipalities may incur moderate short-term cost increases due to the issuance of terminal leave payments and compensation for the unused leave time of terminated officials. Specifically, the "Uniform Shared Services and Consolidation Act," sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35), provides that any official who has been terminated for reasons of economy or efficiency due to a shared service agreement is entitled to receive a terminal leave payment. Under the law, a terminal leave payment is a single, lump sum payment that is equal to one month of the official's base salary for each five-year period of employment.

However, the OLS also notes that the tenure protections held by certain municipal construction and subcode officials may prevent some municipalities from terminating those officials in order to effectuate a shared service agreement. Most notably, under section 8 of P.L.1975, c.217 (C.52:27D-126), a construction or subcode official employed by a non-civil service municipality may only be terminated for just cause after a fair and impartial hearing, if the official: (1) was re-appointed to a second consecutive term after serving for a term of four years; or (2) completed five consecutive years of service in the position. The law also provides that a construction or subcode official appointed after January 1, 1981 on a provisional basis in a civil service municipality may only be terminated for just cause after a fair and impartial hearing, provided certain exceptions. As a result, municipalities that employ tenured construction officials would be unlikely to enter into a shared service agreement with the pilot county for the purposes of administering the construction code, thereby reducing the number of municipalities that may experience cost savings as a result of the bill.

Given the permissive nature of the bill, the OLS is unable to predict the number of: (1) employees that would be hired by the pilot county to administer and enforce the construction code, and (2) municipalities that would enter into a shared service agreement with the pilot county for the purposes of administering and enforcing the construction code. As a result, the OLS is unable to quantify the impact of the bill on county and municipal finances.

FE to SCS for S2636

4

*Section: Local Government*

*Analyst: Joseph A. Pezzulo  
Assistant Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



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## Newark, N.J.

# Governor Murphy Takes Action on Legislation

12/17/2018

**TRENTON** – Today, Governor Phil Murphy signed the following bills into law:

**A360 (Chiaravalloti, Danielsen, Mukherji/Pou, Cruz-Perez)** – Prohibits consumer reporting agencies from charging certain fees related to security freezes on consumer reports.

**A1039 (Houghtaling, Dancer, Andrzejczak, Space, Taliaferro/Gopal, Oroho)** – Directs the Division of Travel and Tourism to publish on its website information of farm-to-table restaurants.

**A2182 (DeAngelo, Wimberly, Quijano/Scutari, Singleton)** – Establishes an apprenticeship requirement to qualify for an electrical contractor's license.

**A3112 (Benson, Mukherji, Karabinchak/Beach, Oroho)** – Authorizes local units of government subject to "Local Public Contracts Law" and "Public School Contracts Law" to use electronic procurement technologies.

**A3731 (Tully, Swain, Wimberly/Lagana)** – Establishes "County Code Pilot Program" for certain counties.

**A4102 (Johnson, DeAngelo/Weinberg)** – Allows cigar bars and lounges to renew lapsed exemption from ban on indoor smoking under certain circumstances.

**S724 (Greenstein, Diegnan/Pinkin, Giblin, Jasey)** – Allows pharmacy interns and pharmacy externs to administer certain vaccines under direct supervision of pharmacist and requires reporting of certain vaccine administrations.

**S869 (Sweeney, Cunningham, Oroho/Jimenez, Lagana, Vainieri Huttie, Benson)** – Permits establishment by county and four-year institutions of higher education of three plus one degree programs for receipt of baccalaureate degree after spending three years at county college and one year at senior institution.

**S870 (Sweeney, Cunningham/Jasey, Schaer, Calabrese)** – Establishes Dual Enrollment Study Commission.

**S1869 (Scutari/Caputo, Holley)** – Prohibits sale of certain alarm business signs and decals.

**S1958 (Gopal, Scutari/Mukherji, Lopez, DeAngelo)** – Establishes permit to allow seasonal retail consumption license holders to sell alcoholic beverages during certain off-season dates.

**S2397 (Gopal/Schaer, Karabinchak, Pinkin)** – Requires institutions of higher education to provide alternative arrangements to students unable to complete certain assignments by regular due date or register for courses because of day of religious observance.

**S2839 (Gopal, Oroho, Greenstein/Houghtaling, Zwicker, DeAngelo)** – Makes General Fund supplemental appropriation of \$250,000 to New Jersey Manufacturing Extension Program, Inc.

[Copy of Statement on S2839](#)

**S2845 (Vitale/Spearman, Mejia, Lopez)** – Amends Fiscal Year 2019 appropriations act to revise increase in Work



First New Jersey benefits.

**SJR18 (Pou, Greenstein/Murphy)** – Establishes "Commission to Review Constructive Sentences of Life Imprisonment on Juvenile Offenders."

Additionally, Governor Murphy announced that he has conditionally vetoed the following bills:

**A4342 (Tully, Swain, Benson, Jones/Lagana)** – Requires public school student to carry identification card at school-sponsored, off-campus activities and requires principal to keep list of students on school buses used for school-sponsored activities in case of emergencies.

[Copy of Statement on A4342](#)

**S393 (Madden, Singleton/DeAngelo, Murphy, Verrelli)** – Establishes Talent Network Program in DOLWD.

[Copy of Statement on S393](#)

**S1697 (Sarlo, Oroho/DeAngelo, Lagana, Space)** – Exempts fuel used for operation of certain school buses from petroleum products gross receipts tax and motor fuel tax; clarifies tax treatment of certain dyed fuel thereunder; clarifies determination of taxable estates of certain decedents.

[Copy of Statement on S1697](#)

**S2531 (Beach/Jones)** – Allows county governing body in certain counties to abolish offices of superintendent and deputy superintendent of elections and transfer functions to county board of elections.

[Copy of Statement on S2531](#)

Governor Murphy also announced that he has absolute vetoed the following bills:

**S2455 (Sweeney, Oroho/Murphy, McKnight, Mosquera)** – Transfers county college employees and retirees from membership in SEHBP to membership in SHBP.

[Copy of Statement on S2455](#)

**S3074 (Lagana/Pintor Marin, Greenwald)** - Provides for procurement by State of pharmacy benefits manager, automated reverse auction services, and claims adjudication services.

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