

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 3791**

STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3791 ACS.

This bill requires the installation of an automatic fire sprinkler system in new townhouses for which a construction permit application has not been declared complete prior to the effective date of the bill, and requires the Commissioner of Community Affairs to adopt rules and regulations incorporating International Residential Code guidance pertaining to such installation of automatic fire sprinkler systems within five months of the date of enactment.

As reported by the committee, Assembly Bill No. 3791 (ACS) is identical to Senate Bill No. 281 (SCS), which was also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill may result in an indeterminate increase in the annual expenditures of any State agency or local government entity, such as the Department of Community Affairs the New Jersey Housing and Mortgage Finance Agency, and municipalities that elects to finance the construction of new townhouses, associated with increased construction costs for the installation of automatic fire sprinkler systems required by the bill.

Based on recent economic indicators and industry research, the LS estimates that the average cost to install an automatic sprinkler system in a newly constructed residential building is between \$1 and \$2 per square foot, which is an average of between \$1,500 and \$3,000 for a townhouse of 1,500 square feet. The change in this cost over time would be dependent on the change in the price of installation.