

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 312

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 11, 2026

SUMMARY

Synopsis: Establishes measures to improve safety of scrap metal businesses.

Type of Impact: Annual State and local revenue and expenditure increases.

Agencies Affected: Department of Community Affairs; local governments.

Office of Legislative Services Estimate

Fiscal Impact	
Local Revenue Increase	Indeterminate
Local Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill would result in an indeterminate increase in annual local revenue from the fee charged for the annual certification by the local enforcing agency, or by the Division of Fire Safety in the Department of Community Affairs in certain municipalities, required for certain scrap metal businesses. The amount of the fee is to be determined by the department and cannot be predicted, as is the number of scrap metal businesses that would be subject to the fee, so the size of the annual revenue increase cannot be estimated.
- The OLS concludes that the bill would result in an increase in the administrative workload for fire departments, fire marshals, and local enforcing agencies as a result of the new responsibilities assigned to them. In a municipality where the Division of Fire Safety is the enforcing agency, the increase in expenditures related to reviewing scrap metal business’ conformity to the bill’s requirements would be incurred by the State. The administrative cost of developing a fire safety plan and the administrative cost to a local enforcing agency or the Division of Fire Safety for reviewing and approving a scrap metal business’ conformity to the provisions of the bill are indeterminate.

BILL DESCRIPTION

This bill would supplement the Uniform Fire Safety Act to establish measures to improve fire safety for scrap metal businesses. Specifically, the bill would require each scrap metal business to: (1) install and maintain certain heat detection equipment, for certain properties; (2) develop a fire safety plan in coordination with a fire official or fire marshal; (3) make certain records available to a fire code official conducting an investigation as a result of a fire; and (4) confirm that the pile height of certain materials does not exceed 20 feet.

Additionally, the bill would require a scrap metal business to install a fire suppression system under certain circumstances. The bill would require that the fire suppression system, when necessitated pursuant to the bill, be: (1) designed by a fire protection engineer; (2) remotely operated; and (3) certified annually by the local enforcing agency that the system meets certain standards. The annual certification would be subject to a nominal fee as determined by the Department of Community Affairs. The bill would require a local enforcing agency to review, and confirm in writing, a scrap metal business' compliance with the applicable provisions of the bill. The bill authorizes the department to promulgate rules and regulations to implement the bill and has a staggered deadline for compliance with the bill dependent on the tonnage of a scrap metal business' stockpile.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill would result in an indeterminate increase in annual local revenue from the fee charged for the annual certification by the local enforcing agency, or by the Division of Fire Safety in certain municipalities, required for certain scrap metal businesses. The amount of the fee is to be determined by the department and cannot be predicted, as is the number of scrap metal businesses that would be subject to the fee, so the size of the annual revenue increase cannot be estimated.

The OLS concludes that the bill would also result in an increase in local expenditures due to the cost to the local enforcing agency of administering the annual certification. To the extent that the Division of Fire Safety is the enforcing agency for a municipality, the costs for administering the annual certification would be incurred by the State. The number of certifications that would be required each year and the cost of each certification are unknown; therefore, the amount of the annual local and State expenditure increase is indeterminate.

The OLS further finds that the bill would result in an increase in the administrative workload for fire departments, fire marshals, and local enforcing agencies as a result of responsibilities assigned to them pursuant to the bill. The administrative cost to a fire department or fire marshal of developing a fire safety plan and the administrative cost to a local enforcing agency of reviewing and approving a scrap metal business' conformity to the provisions of the bill are indeterminate.

The OLS anticipates that the department will use currently available resources to administer rules and regulations as authorized by the bill.

Section: Local Government

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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