

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 312**

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 4, 2026

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 312 (1R) SCS.

As amended, the bill requires scrap metal businesses in the State to reduce the likelihood of a fire. This includes installing and maintaining heat detection equipment capable of detecting an incipient fire or potential hot spots for properties that exceed one acre in area or to a property upon which a scrap grinder, crusher, hammer mill, or shredder is operated. Additionally, scrap metal businesses are to (1) develop a fire safety plan in coordination with a fire official or fire marshal, which is to be made in writing and publicly available upon request; (2) make available, to any fire code official investigating the scrap metal business as a result of a fire at the business, records retained pursuant to current law; and (3) confirm that the pile height of combustible material, noncombustible material, or a combination thereof does not exceed 20 feet.

Additionally, a scrap metal business that contains an unprepared metal shredder feedstock stockpile with over 200 tons of unprepared metal in a single stockpile for any 24-hour period is to install a fire suppression system that is designed by a fire protection engineer and that can be remotely operated to prevent hot spots from flashing into fires by rapidly extinguishing future fires and reflash. The system is to include, but not be limited to: (1) an overhead fire suppression system including water towers with articulating water supply heads and related water supply improvements; (2) monitored heat detection equipment around piles of at least 500 tons to identify hot spots prior to ignition; and (3) annual certification by the local enforcing agency that the system meets all National Fire Protection Association and State regulatory fire prevention standards for the industrial activity.

Under the bill, the local enforcing agency is to review and confirm, in writing that is to be displayed in a conspicuous manner in the office

of the scrap metal business or on the Internet website of the business, that the scrap metal business demonstrates that it installed a heat detection equipment capable of detecting an incipient fire or potential hot spots, if applicable; developed a fire safety plan in coordination with a fire official or fire marshal; and, if applicable, met the requirements for a scrap metal business that contains an unprepared metal shredder feedstock stockpile with over 200 tons of unprepared metal in a single stockpile for any 24-hour period.

As amended and reported by the committee, the Senate Committee Substitute to Senate Bill No. 312 is identical to the Assembly Committee Substitute to Assembly Bill No. 2401, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) stipulate that the pile height of combustible material, noncombustible material, or a combination of each at a scrap metal business does not exceed 20 feet; and

(2) change the effective date of the bill to 48 months for scrap metal businesses with an unprepared metal shredder feedstock stockpile with over 200 tons in a single stockpile for any 24-hour period and to 24 months for scrap metal businesses with an unprepared metal shredder feedstock stockpile with over 500 tons in a single stockpile for any 24-hour period.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that the bill would result in an indeterminate increase in annual State revenue from the Department of Community Affairs' portion of the fee charged for the annual certification of 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 (division) is the enforcing agency, the increase in revenue and expenditure related to reviewing scrap metal business' conformity would be incurred by the State. The administrative cost to each of developing a fire safety plan and the administrative cost to a local enforcing agency or division of reviewing and approving a scrap metal business' conformity to the provisions of the bill are indeterminate.