

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 743

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 8, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 743 (1R), with committee amendments.

As amended, the bill would extend until December 31, 2014, rather than December 31, 2012 as provided under current law, the “extension period,” as defined in the “Permit Extension Act of 2008,” P.L.2008, c.78 (C.40:55D-136.1 et seq.). Thus, under this amended bill, certain approvals, as defined by the “Permit Extension Act of 2008” and in effect on January 1, 2007, would continue to be valid at least until December 31, 2014. The bill also expands the geographical areas (referred to as “extension areas”) in which approvals are extended, and includes additional types of approvals qualifying for the extension.

In accordance with the tolling provision provided in the “Permit Extension Act of 2008,” the validity of an approval in effect on January 1, 2007 would be extended beyond the conclusion of the extension period by the length of the unexpired validity period, but not more than six months (i.e., until not later than June 30, 2015). The amended bill provides that the running period of government approvals pursuant to P.L.2008, c.78 shall include “extension areas,” as defined in the bill, and that the running period of approvals in the extension areas “shall be calculated, using that definition, retroactive to the enactment of P.L.2008, c.78” (i.e., September 6, 2008).

COMMITTEE AMENDMENTS:

The amendments clarify language regarding the exception from a class of extension exclusions for permits or approvals issued pursuant to the “Flood Hazard Area Control Act” authorizing work on real property owned by the government or federal government.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates an indeterminate loss of State and local revenue as a result of the extension of the "extension period" for certain approvals authorized by this bill, the expansion of the geographical areas in which approvals are extended by the bill, and the inclusion of additional types of approvals that would be extended by the bill. Unfortunately, specific estimates cannot be quantified because the OLS is unable to obtain reliable information regarding the number of approvals that would be extended by the bill. The bill extends the validity of certain approvals issued by State and local government units beginning January 1, 2007 to December 31, 2014, rather than December 31, 2012, as provided in current law. The OLS contends that, absent this bill, many approvals would have been applied for by December 31, 2012 (or June 30, 2013 as allowed by the tolling provision), thereby generating additional State and local permit fee revenues. The OLS notes that some benefits to the State and local economies could be realized from the preservation of existing approvals for property owners and developers, and the avoidance of presumably costly permit review fees that otherwise would have been paid by the business community.