

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3919
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: MAY 7, 2020

SUMMARY

Synopsis: Extends certain permits during COVID-19 emergency.

Type of Impact: Temporary revenue decrease to the State and local governments.

Agencies Affected: Department of Transportation, Department of Environmental Protection, Department of Community Affairs, State commissions, counties, and municipalities authorized to approve certain State or local permits.

Office of Legislative Services Estimate

<u>March 9, 2020 – Six Months Following End of COVID-19</u>	
Fiscal Impact	<u>Extension Period</u>
State Revenue Decrease	Indeterminate
Local Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will result in an indeterminate, temporary loss of State and local permit fee revenues from the extension of certain State, regional, county, and municipal agency permit approvals for the duration of the COVID-19 emergency and for six months thereafter. The bill defines the “COVID-19 extension period” to be the period beginning March 9, 2020 and continuing for as long as a public health emergency or state of emergency has been declared by the Governor in response to the pandemic.
- The OLS notes that there are fees associated with the renewal of certain types of permits. State and local entities would not collect these fees for permits that would otherwise need renewal during the extension period.
- 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 permit review fees that otherwise would have been paid by the business community.
- Specific estimates cannot be quantified because the OLS is unable to obtain reliable information regarding the number of outstanding environmental and land use permits having

approval periods that would be suspended by this bill that would otherwise need to be renewed during the extension period set forth in the bill.

BILL DESCRIPTION

The bill would extend certain State, regional, county, and municipal agency permit approvals for the duration of the COVID-19 emergency. The bill would create a new extension period under the "Permit Extension Act of 2008" that covers permits in existence during the period in which the COVID-19 public health emergency or state of emergency is in effect. Such approvals cannot be extended beyond six months after the conclusion of the extension period. The bill takes effect immediately and is retroactive to March 9, 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate, temporary loss of State and local permit fee revenues due to the proposed lengthening of the extension period for certain permit approvals. The estimate is based on the assumption that, absent this bill, the holders of expiring permits would eventually reapply for the same or similar permits, and in doing so, would make additional permit fee payments. In certain cases, and for a certain limited-time period, the bill obviates the need to renew a permit or approval, thus allowing permit holders to continue their projects without re-obtaining permits and paying related permit fees. However, the OLS acknowledges additional uncertainty when considering that some permit applicants would not reapply and pay renewal fees if their initial application expired. 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 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 be paid by the business community. The bill extends the validity of certain approvals issued by the State and local government units beginning March 9, 2020 and continuing for as long as a public health emergency or state of emergency has been declared by the Governor in response to COVID-19. In accordance with the tolling provision provided under the bill, no approval would be extended beyond the six months after the conclusion of the extension period thereby limiting the duration of the potential revenue loss.

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.).