ASSEMBLY, No. 4850

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Co-Sponsored by:

Assemblymen DiMaio, McClellan, Simonsen, Wirths, Space, Senators Oroho, Singleton and Pou

SYNOPSIS

Establishes expedited construction inspection program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/3/2021)

AN ACT concerning inspections under the construction code, and supplementing and amending P.L.1975, c.217.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

- 1. (New section) a. (1) The commissioner, in consultation with the code advisory board, shall promulgate rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), establishing standards, procedures, and other requirements for an optional program providing expedited inspections of construction undertaken pursuant to a construction permit.
 - (2) The expedited inspection program shall provide that:
- (a) a municipal governing body may participate in the program by requiring its enforcing agency to conduct expedited inspections within two calendar days of an owner's request for an inspection;
- (b) an owner of a project located in a municipality that is not requiring its enforcing agency to conduct expedited inspections may select a private inspection agency to conduct expedited inspections;
- (c) a business entity shall not conduct expedited inspections unless licensed and authorized to do so by the department;
- (d) an owner may opt to participate in the expedited inspection program at the time of submission of an application for a construction permit pursuant to section 12 of P.L.1975, c.217 (C.52:27D-130);
- (e) an owner participating in the expedited inspection program shall pay a premium in addition to all otherwise applicable fees;
- (f) each expedited inspection shall be completed within two calendar days of an owner's request for an inspection;
- (g) if a local enforcing agency or a private inspection agency fails to complete an expedited inspection within two calendar days of an owner's request for an inspection, the agency shall complete the inspection within the following 24 hours and shall refund the premium for that expedited inspection to the owner. If a local enforcing agency or a private inspection agency fails to complete an expedited inspection within the following 24 hours, the owner may elect to retain a different private inspection agency, in a manner consistent with subsection b. of section 19 of P.L.1975, c.217 (C.52:27D-137), to perform the remainder of inspections required for the project.
- b. (1) A municipal governing body, in consultation with the construction official of its enforcing agency, shall determine whether the enforcing agency shall conduct expedited inspections or

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

whether an owner may retain a private inspection agency to conduct expedited inspections. Regardless of whether expedited inspections are conducted by an enforcing agency or a private inspection agency, the enforcing agency shall retain the power and responsibility over issuance of the certificate of occupancy under section 15 of P.L.1975, c.217 (C.52:27D-133).

- (a) An enforcing agency that conducts expedited inspections may conduct those inspections outside of the hours specified in section 14 of P.L.1975, c.217 (C.52:27D-132).
- (b) The enforcing agency shall observe the progress of a construction project receiving expedited inspections by a private inspection agency and shall retain jurisdiction over the project in order to be responsive to inquiries from the general public and from special interests, to the needs of the owner and the private inspection agency, and to the obligations and requirements imposed by the code.
- (2) An owner applying to participate in the expedited inspection program shall submit payment of all applicable fees, together with an expedited inspection premium fee of \$100 per inspection, to the enforcing agency together with the application for a construction permit, unless the municipality establishes an alternative premium fee price, or variety of alternative prices depending on the size and complexity of the application. If the enforcing agency does not conduct expedited inspections, at the time of submission of an application for a construction permit, the owner shall identify the private inspection agency the owner has selected to conduct expedited inspections. The enforcing agency shall deliver payment of the expedited inspection premium fee to the private inspection agency selected to conduct expedited inspections.
- c. (1) The department shall establish a program for the licensure and authorization of business entities as private inspection agencies for the purpose of contracting with owners to conduct expedited inspections pursuant to this section or to perform inspections pursuant to section 19 of P.L.1975, c.217 (C.52:27D-137). No business entity shall conduct inspections under a construction permit or enter into any contract to do so without first receiving the licensure and authorization of the department. The department may impose and collect fees from applicants for licensure and authorization under this section.
- (2) Licensure and authorization of a business entity as a private inspection agency shall include, but not be limited to, consideration of the qualifications of the management and technical personnel of the business entity, the fiscal integrity of the business entity, and the ability of the business entity to perform expedited inspections within the requisite time frames in a manner sufficient to ensure that the construction is performed in accordance with the conditions of the construction permit and the requirements of the code.

(3) A private inspection agency shall not employ a person as an officer or inspector unless the person is certified by the department in the appropriate subcode.

- (4) A private inspection agency shall be subject to the orders and directives of the municipal construction official and the department in matters relating to the enforcement of the code.
- (5) A private inspection agency shall maintain records of all inspections and any other information that may be required by the municipal construction official or the department. These records shall be open to department audit and shall not be destroyed or removed from the offices of the private inspection agency without the permission of the department.
- (6) A private inspection agency shall not directly collect fees from the owner, or any agent or employee of the owner. The enforcing agency shall be the sole agent for the collection and delivery of an expedited inspection premium fee to a private inspection agency.
- d. (1) Except as otherwise provided in this section, a private inspection agency that has contracted to perform expedited inspections for a project shall carry out its obligations under the contract and applicable provisions of law until full completion of the project, as evidenced by the enforcing agency's issuance of a certificate of occupancy.
- (2) A private inspection agency conducting expedited inspections shall have all of the powers, and shall be subject to all of the requirements, applicable to an enforcing agency with regard to conducting inspections under P.L.1975, c.217 (C.52:27D-119 et seq.), however, the private inspection agency shall be obligated to conduct inspections in an expedited timeframe.
- (3) A private inspection agency conducting expedited inspections shall:
- (a) maintain all inspection records applicable to each construction permit;
- (b) maintain an adequate number of certified staff to conduct expedited inspections for all classes of structure consistent with the private inspection agency's licensure and certification;
- (c) provide adequate supervision of employees and ensure that an employee is properly licensed and certified before conducting an inspection;
 - (d) carry insurance as may be required by the department; and
- (e) prepare and submit all required reports to the department and the enforcing agency.
- e. An owner and a private inspection agency may agree to the performance of expedited inspections outside of the hours specified in section 14 of P.L.1975, c.217 (C.52:27D-132).
- 47 2. Section 6 of P.L.1975, c.217 (C.52:27D-124) is amended to 48 read as follows:

6. The commissioner shall have all the powers necessary or convenient to effectuate the purposes of [this act] P.L.1975, c.217 (C.52:27D-119 et seq.), including, but not limited to, the following powers in addition to all others granted by [this act] P.L.1975, c.217 (C.52:27D-119 et seq.):

- a. To adopt, amend and repeal, after consultation with the code advisory board, rules: (1) relating to the administration and enforcement of [this act] P.L.1975, c.217 (C.52:27D-119 et seq.) and (2) the qualifications or licensing, or both, of all persons employed by enforcing agencies of the State to enforce [this act] P.L.1975, c.217 (C.52:27D-119 et seq.) or the code, except that, plumbing inspectors shall be subject to the rules adopted by the commissioner only insofar as such rules are compatible with such rules and regulations, regarding health and plumbing for public and private buildings, as may be promulgated by the Public Health Council in accordance with Title 26 of the Revised Statutes.
- b. To enter into agreements with federal and State of New Jersey agencies, after consultation with the code advisory board, to provide insofar as practicable (1) single-agency review of construction plans and inspection of construction and (2) intergovernmental acceptance of such review and inspection to avoid unnecessary duplication of effort and fees. The commissioner shall have the power to enter into such agreements although the federal standards are not identical with State standards; provided that the same basic objectives are met. The commissioner shall have the power through such agreements to bind the State of New Jersey and all governmental entities deriving authority therefrom.
- c. To take testimony and hold hearings relating to any aspect of or matter relating to the administration or enforcement of [this act] P.L.1975, c.217 (C.52:27D-119 et seq.), including but not limited to prospective interpretation of the code so as to resolve inconsistent or conflicting code interpretations, and, in connection therewith, issue subpens to compel the attendance of witnesses and the production of evidence. The commissioner may designate one or more hearing examiners to hold public hearings and report on such hearings to the commissioner.
- d. To encourage, support or conduct, after consultation with the code advisory board, educational and training programs for employees, agents and inspectors of enforcing agencies, either through the Department of Community Affairs or in cooperation with other departments of State government, enforcing agencies, educational institutions, or associations of code officials.
- e. To study the effect of **[**this act**]** P.L.1975, c.217 (C.52:27D-119 et seq.) and the code to ascertain their effect upon the cost of building construction and maintenance, and the effectiveness of their provisions for insuring the health, safety, and welfare of the people of the State of New Jersey.

f. To make, establish and amend, after consultation with the code advisory board, such rules as may be necessary, desirable or proper to carry out his powers and duties under [this act] P.L.1975, c.217 (C.52:27D-119 et seq.).

- g. To adopt, amend, and repeal rules and regulations providing for the charging of and setting the amount of fees for the following code enforcement services, licenses or approvals performed or issued by the department, pursuant to the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.):
- (1) Plan review, construction permits, certificates of occupancy, demolition permits, moving of building permits, elevator permits and sign permits; and
- (2) Review of applications for and the issuance of licenses certifying an individual's qualifications to act as a construction code official, subcode official or assistant under [this act] P.L.1975, c.217 (C.52:27D-119 et seq.).
 - (3) (Deleted by amendment, P.L.1983, c.338).
- h. To adopt, amend and repeal rules and regulations providing for the charging of and setting the amount of construction permit surcharge fees to be collected by the enforcing agency and remitted to the department to support those activities which may be undertaken with moneys credited to the Uniform Construction Code Revolving Fund.
- 24 i. To adopt, amend and repeal rules and regulations providing 25 for:
 - (1) Setting the amount of and the charging of fees to be paid to the department by a [private agency] <u>business entity</u> for the review of applications for and the issuance of approvals authorizing a [private agency] <u>business entity</u> to act as a <u>private inspection agency</u>, an on-site inspection and plan review agency, or an in-plant inspection agency;
 - (2) (Deleted by amendment, P.L.2005, c.212).
 - (3) (Deleted by amendment, P.L.2005, c.212).
 - j. To enforce and administer the provisions of the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.) and the code promulgated thereunder, and to prosecute or cause to be prosecuted violators of the provisions of that act or the code promulgated thereunder in administrative hearings and in civil proceedings in State and local courts.
- k. To monitor the compliance of local enforcing agencies with the provisions of the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.), to order corrective action as may be necessary where a local enforcing agency is found to be failing to carry out its responsibilities under that act, to supplant or replace the local enforcing agency for a specific project, and to order it dissolved and replaced by the department where the local enforcing agency repeatedly or habitually fails to enforce the provisions of the "State Uniform Construction Code Act."

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1 To adopt, amend, and repeal rules and regulations 2 implementing the provisions of P.L.1999, c.15, P.L.2003, c.44, and 3 section 1 of P.L.2015, c.146 (C.52:27D-123f) concerning the 4 installation and maintenance of carbon monoxide sensors. 5

(cf: P.L.2015, c.146, s.2)

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- 3. Section 14 of P.L.1975, c.217 (C.52:27D-132) is amended to read as follows:
- 14. a. The enforcing agency shall periodically inspect all construction undertaken pursuant to a construction permit issued by it to insure that the construction or alteration is performed in accordance with the conditions of the construction permit and consistent with the requirements of the code and any ordinance implementing said code.
- b. The owner of any premises upon which a building or structure is being constructed shall be deemed to have consented to the inspection by the enforcing agency and the department, of the entire premises and of any and all construction being performed on it until a certificate of occupancy has been issued. An inspector, or team of inspectors, on presentation of proper credentials, shall have the right to enter and inspect such premises, and any and all construction thereon, for purposes of ensuring compliance with the provisions of the applicable construction permit, the code, and other applicable laws and regulations. All inspection pursuant to [this act] P.L.1975, c.217 (C.52:27D-119 et seq.) shall be between the hours of 9 a.m. and 5 p.m. on business days, or when construction is actually being undertaken, provided, however, that inspections may be conducted at other times if the enforcing agency has reasonable cause to believe that an immediate danger to life, limb or property exists, or if permission is given by an owner, or his agent, architect, engineer or builder. No person shall accompany an inspector or team of inspectors on any inspection pursuant to [this act] P.L.1975, c.217 (C.52:27D-119 et seq.), unless his presence is necessary for the enforcement of [this act] P.L.1975, c.217 (C.52:27D-119 et seq.), or the code, or unless consent is given by an owner or his agent, architect, engineer or builder.
- If the construction of a structure or building is being undertaken contrary to the provisions of a construction permit, Ithis act P.L.1975, c.217 (C.52:27D-119 et seq.), the code, or other applicable laws or ordinances, the enforcing agency may issue a stop construction order in writing which shall state the conditions upon which construction may be resumed and which shall be given to the owner or the holder of the construction permit or to the person performing the construction. If the person doing the construction is not known, or cannot be located with reasonable effort, the notice may be delivered to the person in charge of, or apparently in charge of, the construction. No person shall continue,

1 or cause or allow to be continued, the construction of a building or 2 structure in violation of a stop construction order, except with the 3 permission of the enforcing agency to abate a dangerous condition 4 or remove a violation, or except by court order. If an order to stop 5 construction is not obeyed, the enforcing agency may apply to the 6 appropriate court as otherwise established by law for an order 7 enjoining the violation of the stop construction order. The remedy 8 for violation of such an order provided in this subsection shall be in 9 addition to, and not in limitation of, any other remedies provided by 10 law or ordinance.

- d. When an inspector or team of inspectors finds a violation of the provisions of a construction permit, the code, or other applicable laws and regulations at an owner-occupied single-family residence, and issues a notice of violation and an order to terminate the violation, the enforcing agency shall require the same inspector or team of inspectors who found the violation to undertake any subsequent reinspection thereof at the premises. When the same inspector or team of inspectors cannot be assigned to undertake the reinspection, the enforcing agency may assign an available inspector provided the scope of the reinspection shall be limited to the violation for which the reinspection is required. requirements of this subsection shall not apply to violations of the plumbing or electrical subcodes, or to fire safety code violations, or to any violation of any other subcode that the Department of Community Affairs determines to be a health or safety violation. Nothing in this subsection shall be construed to infringe upon the right of a property owner to request a different inspector, team of inspectors, or supervisor, to perform any required reinspection.
- e. The owner or other responsible person in charge of work shall notify the enforcing agency when the work is ready for any required inspection under the code. This notice shall be given at least 24 hours prior to the time the inspection is desired. Except for an expedited inspection performed pursuant to section 1 of P.L., c. (C.) (pending before the Legislature as this bill), the enforcing agency shall perform an inspection within three business days of the time for which it was requested.

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(cf: P.L.2007, c.149, s.1)

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- 4. Section 19 of P.L.1975, c.217 (C.52:27D-137) is amended to read as follows:
- 19. <u>a.</u> At the request of an enforcing agency, the department or an agency approved by the commissioner may assist an enforcing agency in the inspection of any construction of buildings or structures, provided that the enforcing agency has submitted the plans and specifications for such construction to the department or such agency, as the case may be, for review as to compliance with the code and **[**this act**]** P.L.1975, c.217 (C.52:27D-119 et seq.). In

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such cases the commissioner shall provide by regulation for fees to the department <u>or an agency</u> to cover the cost of providing such services, to be borne ultimately by applicants for construction permits. The commissioner shall also provide <u>guidance</u> for the readjustment of municipal fees in accordance with the cost of services performed <u>by the department or an agency</u>.

7 b. (1) If a local enforcing agency fails to perform an inspection 8 within three business days of the time for which it was requested, as 9 required by subsection e. of section 14 of P.L.1975, c.217 10 (C.52:27D-132), the owner may elect to retain a private inspection 11 agency, authorized by the department to perform inspection 12 services, to perform the remainder of inspections required for the 13 project. The owner shall notify the local enforcing agency in 14 writing that the owner has retained a private inspection agency to 15 perform the remaining inspections, and shall identify the private 16 inspection agency the owner has selected to conduct inspections. 17 The local enforcing agency shall immediately provide the private 18 inspection agency a copy of the plans and specifications for the 19 construction and all other materials relevant to inspection of work 20 on the project to facilitate the transfer of responsibility for 21 inspections to the private agency. The local enforcing agency shall 22 return to the owner a proportional amount of the fees paid by the 23 owner to the local enforcing agency, consistent with the 24 commissioner's guidance for the readjustment of fees, provided 25 pursuant to subsection a. of this section, in order to reflect the 26 transfer of responsibility to perform the remaining inspections from 27 the local enforcing agency to a private inspection agency, however, 28 the local enforcing agency may retain a portion of the fees to cover 29 its costs associated with its continued responsibilities related to the 30 project.

(2) A private inspection agency that is authorized by the department to perform inspection services may contract with an owner to perform the remainder of inspections required for a construction project, if a local enforcing agency has failed to perform an inspection within three business days of the time for which it was requested. A private inspection agency may charge the owner fees to cover the cost of providing inspection services. A private inspection agency shall maintain records of all inspections and any other information that may be required by the department and shall submit a report to the local enforcing agency after each inspection. A private inspection agency shall have all of the powers, and shall be subject to all of the requirements, applicable to a local enforcing agency with regard to conducting inspections under P.L.1975, c.217 (C.52:27D-119 et seq.).

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(3) The local enforcing agency shall observe the progress of a construction project receiving inspections by a private agency under this subsection, and shall retain oversight jurisdiction of the project

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- in order to be responsive to inquiries from the general public and from special interests, to the needs of the owner and the private agency, and to the obligations and requirements imposed by the code.
- 5 (cf: P.L.1975, c.217, s.19)

5. This act shall take effect on the first day of the fourth month next following the date of enactment, however, the commissioner shall immediately commence the process of promulgating rules and regulations to effectuate the provisions of this act.

STATEMENT

This bill would establish an alternate inspection process, under the State Uniform Construction Code Act, for property owners willing to pay a premium fee to expedite inspections. The bill would also authorize a property owner to retain a private agency to perform construction code inspections if the local code enforcing agency is unable to complete an inspection within three business days of the time the owner requests the inspection to be performed.

Under the bill, an applicant for a construction permit may opt to pay a premium fee to have inspections under the permit performed on an expedited basis, i.e., within two calendar days of the time requested for an inspection. The premium fee would be \$100 per inspection unless the municipality establishes an alternative price, or variety of alternative prices depending on application size and other relevant factors. The bill would allow an applicant to exercise this option at the time of submitting an application for a construction permit.

The expedited inspection program would provide that:

- a municipal governing body may participate in the program by requiring its enforcing agency to conduct expedited inspections or by allowing an applicant to have a private agency perform expedited inspections;
- an owner of a project located in a municipality that is not requiring its enforcing agency to conduct expedited inspections may select a private inspection agency to conduct expedited inspections;
- to conduct expedited inspections under the bill a private inspection agency must be licensed and authorized to perform inspections by the Department of Community Affairs (DCA);
- an owner may opt to participate in the expedited inspection program at the time of submission of an application for a construction permit;
- an owner participating in the expedited inspection program would pay a premium in addition to all otherwise applicable fees;

- each expedited inspection would be completed within two calendar days of an owner's request for an inspection;
- if a local enforcing agency or a private inspection agency fails to complete an expedited inspection within two calendar days of an owner's request for an inspection, the agency must complete the inspection within the following 24 hours and must refund the premium for that expedited inspection to the owner.

The bill provides that regardless of whether the local enforcing agency or a private inspection agency are conducting expedited inspections, the enforcing agency would retain the power and responsibility over issuance of the certificate of occupancy for the construction project. The enforcing agency would observe the progress of a construction project receiving expedited inspections by a private inspection agency, and would retain jurisdiction over the project in order to be responsive to inquiries from the general public and from special interests, to the needs of the owner and the private inspection agency, and to the obligations and requirements imposed by the construction code.

The bill would require DCA to establish a program to license and authorize business entities as private inspection agencies for the purpose of contracting with owners to conduct expedited inspections or to perform inspections when an enforcing agency is unable to complete inspection within the time required by law. The bill specifies requirements for a business to be licensed and authorized as a private inspection agency.

Additionally, the bill would codify that a local enforcing agency must perform a construction code inspection within three business days of the time the owner requests it to be performed. If a local enforcing agency fails to perform an inspection within that timeframe, the bill would authorize the owner to retain a private inspection agency to perform the remainder of inspections required for the project. Under the bill, the owner would be required to notify the local enforcing agency in writing, that the owner has retained a private inspection agency to perform the remaining inspections. The bill would require the local enforcing agency to provide the private inspection agency a copy of the plans and specifications for the construction and all other materials relevant to inspecting the construction project. Under the bill, the local enforcing agency must return to the owner a proportional amount of the fees paid by the owner to the local enforcing agency, however, the local enforcing agency may retain a portion of the fees to cover its costs associated with its continued responsibilities related to the project. The bill would allow a private inspection agency to charge the owner fees to cover the cost of providing inspection services. Despite the transfer of control over the inspection function to a private agency, the bill would require the local enforcing agency to observe the progress of a construction project, and to retain oversight jurisdiction of the

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- 1 project in order to be responsive to inquiries from the general public
- 2 and from special interests, to the needs of the owner and the private
- agency, and to the obligations and requirements imposed by the
- 4 code.