

COMMUNITY AFFAIRS

Division Of Codes And Standards Hotels and Multiple Dwellings Inspection Fees

Adopted Amendment: N.J.A.C. 5:10-1.12

Authorized by: Joseph V. Doria, Jr., Commissioner, Department of Community Affairs

Proposed: October 20, 2008 at 40 N.J.R 5894(a)

Adopted: January 16, 2009 by Joseph V. Doria, Jr., Commissioner,

Department of Community Affairs

Filed: February 3, 2009 as R.2009, d. 78, **without change**.

Authority: N.J.S.A. 55:13A-13.

Effective Date: March 2, 2009.

Expiration Date: July 8, 2009

JOSEPH V. DORIA, JR., Commissioner

The agency adoption follows:

Summary of Public Comments and Agency Responses: Comments were received from Nicholas J. Kikas, Director of Regulatory Affairs, New Jersey Apartment Association (NJAA) and from Douglas M. Tomson, Director of Legislative Affairs, New Jersey Association of Realtors.

COMMENT: The Department should reconsider the magnitude of the proposed increase and investigate areas for increased efficiency. The State must share with the industry the burden of reducing costs and streamlining operations. An average increase of 19% ignores current economic realities confronting residents and businesses in New Jersey.

RESPONSE: The reason fees have not been increased since 2002 is that the Department has consistently sought to increased efficiency and productivity. Such gains in efficiency and productivity notwithstanding, fees based on 2002 costs no longer cover the cost of the program. The 19% increase is based on a formula established by statute and, following that formula, upon increases in employee salaries that occurred between 2002 and 2008.

COMMENT: This proposal would directly increase the cost of housing at a time when few families can afford it. The Department was incorrect in stating, in the Housing Affordability Impact statement, that “there is an extreme unlikelihood that it would evoke a significant change in the average costs associated with housing.”

COMMENT: New Jersey is already one of the most expensive states to live in. This 19% fee increase would increase the cost to live in New Jersey at a time when residents are struggling because of an unsteady economy. It is inappropriate to increase any fees that will ultimately be passed on to those living in the properties being inspected at a time when they might not be able to afford it.

RESPONSE: The maximum impact that this increase would have would be on the first seven units in a multiple dwelling, where the increase per unit would be \$9.00 for each five-year cycle. This averages out to \$1.80 a year, or fifteen cents a month. In the judgment of the Department, an increase of fifteen cents per month does not constitute a significant change in the costs associated with housing. Furthermore, since the alternative to funding the program adequately would be to reduce staff and, as a necessary consequence, to lengthen the statutory five-year inspection cycle, the potential economic impact of not adopting this increase, in terms of hazards to life and property that would go undetected for longer periods of time, could far exceed fifteen cents per unit per month for the affected owners and occupants, as well as for the general public.

COMMENT: The NJAA would appreciate the opportunity to work with the Department in a stakeholder process to identify areas where the inspection process can be streamlined and made more efficient.

RESPONSE: The NJAA and other interested parties are always welcome to submit recommendations as to ways to increase efficiency to the Department. The Department continually looks for ways to improve productivity, while still maintaining the protection provided to building occupants and the public by the program.

Federal Standards Statement

No Federal standards analysis is required because these amendments are not being proposed in order to implement, comply with, or participate in any program established under Federal law or under a State law that incorporates or refers to Federal law, standards, or requirements.