

Public Summary  
New Methodology  
For The Calculation of License Fees for  
Residential Dock Licenses  
Adopted February 6, 2008  
Tidelands Resources Council

Tidelands license fees for docks prior to February 6, 2008 were set based on the municipally assessed value of the upland lot divided by the square footage of the upland property. This at times resulted in fees that are uneven and highly variable. Due to the real estate market's rapid increase in value from 1999 through 2005 many municipalities throughout New Jersey ordered a complete a revaluation of all taxable real estate for taxing purposes. This resulted in much higher license fees. In some instances licenses experienced 100% to 600% or more increases in the fees they paid to the State.

In response, on February 6, 2008 the Tidelands Bureau adopted a new formula for license fees for residential property owners. The new methodology seeks to simplify the determination of residential fees and avoid the unpredictable changes in fee rates resulting from tying the license fees to the tax assessed value of each property.

Henceforth, the fees for the water-flowed area for residential licenses will be based on a **statewide base rate of \$0.49/s.f./yr**, which will be applied to the area of the submerged tidelands occupied by structures and associated buffer areas. A tiered approach will be used for the smaller licensed areas. The base rate of \$0.49/s.f./year will be applied to any area of occupied flowed tidelands greater than 700 s.f. Thus the fee will better reflect the actual impact by the licensed structure on the resource. The use of a standard base rate will also reduce the disparities in fees due to the wide variation in property values from locality to locality across the state and the variation in lot sizes, which now result in different unit values per square foot for the same license areas.

However, for the smallest of license areas the following tiered flat annual license fees apply:

- |    |                        |                  |
|----|------------------------|------------------|
| A) | 1 s.f. to 125 s.f. =   | Annual fee \$100 |
| B) | 126 s.f. to 350 s.f. = | Annual fee \$220 |
| C) | 351 s.f. to 700 s.f. = | Annual fee \$340 |

**Other Major Changes:**

- A renewal term of 10 years with an escalator clause that requires an adjustment of the fee in the 6th yr to reflect changes in the Consumer Price Index (CPI).

- The fee calculated at issuance would remain unchanged for the 1st five years; in year 6 the new fee would be changed to reflect the CPI changes over years 1 through 5.
- The fee in years 7-10 again would be unchanged.
- Upon renewal in year 11, the new renewal fee would reflect the CPI increase over years 6-10.
- The **statewide base rate (\$/s.f./yr) and the 3 tiered flat annual fees** would also be adjusted yearly for all new license applications.

**Minimum Fee:**

Any license renewed for which the fee calculated under the new methodology results in a figure lower than their pre-existing fee would remain fixed at the previous fee. The fee would remain the same until the re-calculated fee under the new system exceeds the pre-existing fee.

**Phase In of Fees:**

Renewal fees resulting in an increase greater than two and a half times the original fee (e.g., going from \$500 to \$1,250 or greater) would be phased in over the 1<sup>st</sup> five years of the term.

**Retroactive Review:**

Licenses that were renewed between January 1, 2005 and the present, which due to the increase in property values resulted in a fee increase greater than two and a half times the original fee or greater, would be recomputed under the new methodology. Any overpayment we received shall be applied as a credit for the remainder of the license term.