

ASSEMBLY COMMUNITY DEVELOPMENT AND AFFAIRS  
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 573**

with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 5, 2022

The Assembly Community Development and Affairs Committee reports favorably and with committee amendments Assembly Bill No. 573 ACS.

As amended, this Assembly Committee Substitute would modify certain standards for inspection processes under the "State Uniform Construction Code Act."

Under the bill, the owner, agent, or other responsible person in charge of work is required to notify an enforcing agency, in writing, when the work is ready for a required inspection under the Uniform Construction Code (code), at least 24 hours prior to the date and time the inspection is requested. The enforcing agency is then required to perform an inspection within three business days of the date for which the inspection is requested. The bill further specifies that the owner, agent, or other responsible person in charge of work may provide oral notice for inspections of minor work projects.

The bill requires the owner, agent, or other responsible person in charge of work to be present and prepared at the time of any scheduled inspection, and specifies that absence at the time of inspection is to be considered a failed inspection. The bill requires an enforcing agency to inform, in writing, the owner, agent, or other responsible person in charge of work if the enforcing agency is unable to meet the requested inspection date. The enforcing agency and the owner, agent, or other responsible person in charge of work may agree to a date and time for a required inspection. The bill requires the enforcing agency to commit the agreed upon inspection date to writing and provide a copy of the written documentation to the owner, agent, or other responsible person in charge of work. The bill specifies that if the enforcing agency is unable to meet the required timeframe and the local enforcing agency and the owner, agent, or other responsible person in charge of work are unable to agree to a different inspection date, the owner, agent, or other responsible person in charge of work may contract with a private on-site inspection agency, authorized by the Department of Community Affairs (DCA) to conduct on-site

inspections, to perform the required inspection or inspections. The bill specifies that this includes a supplemental private on-site inspection agency.

If the owner, agent, or other responsible person elects to utilize an authorized private on-site inspection agency, the bill requires that the owner, agent, or other responsible person notify the enforcing agency in writing of the decision. The bill specifies that the owner, agent, or other responsible person in charge of work may elect to utilize the private on-site inspection agency to conduct all inspections on the specific unit or units affected by the inspection delay. The bill also establishes certain conflict-of-interest requirements. If the enforcing agency is required to provide any fee reconciliation to the owner as a result of an inspection being completed by a private on-site inspection agency, the bill requires that enforcing agency to perform the reconciliation at the conclusion of the project.

The bill provides that if the owner, agent, or other responsible person in charge of work believes an enforcing agency has demonstrated a repeated inability to conduct inspections for a construction project within the timelines required by the bill, the owner, agent, or other responsible person in charge of work may notify the DCA in writing to request authorization to utilize an authorized private on-site inspection agency. Within 15 business days of receiving a notification, the DCA is to determine whether the enforcing agency has demonstrated repeated inability, and, if the DCA determines, is to authorize the owner, agent, or other responsible person in charge of work to utilize an authorized private on-site inspection agency for all or a portion of the necessary inspections for the remainder of the project.

The bill requires an enforcing agency to establish a process for ensuring inspections are performed within three business days of a requested inspection date, and specifies authorization of the use of supplemental shared services agreements or the use of contracted private on-site inspection agencies, including supplemental private on-site inspection agencies.

The bill requires municipal construction officials to submit an annual report detailing compliance with the code. The report is required to include, at a minimum information related to the staffing, staff titles, and expenses of the enforcing agency, in addition to any other information required by the Commissioner of Community Affairs (commissioner). The annual report is also required to take into account projected work and agency resource needs for the next budget year. The bill requires a municipality that enters into a contract for supplemental services to provide a copy of the contract to the DCA upon entering into the contract. The bill requires that the municipal construction official or enforcing agency maintain the above information, in addition to the inspection log, municipal monthly

activity reports, and the fee schedule and make that information and documents available to the DCA upon request.

The bill specifies that the DCA may utilize the information to determine appropriate staffing levels for the enforcing agency, and if the DCA determines that an enforcing agency has not maintained appropriate staffing levels, the DCA may require the municipality to take corrective actions to ensure that the enforcing agency's staffing needs are met. The DCA may also take corrective action, including the issuance of penalties, if a local enforcing agency fails to maintain or provide the information or maintain appropriate staffing levels.

The bill requires an enforcing agency that is unable to meet its obligations under the "State Uniform Construction Code Act," to promptly notify the DCA within 15 business days, and allows the DCA to take corrective action, including the issuance of penalties, if an enforcing agency fails to meet its obligations.

The bill further permits inspections to be conducted at times other than between the hours of 9 a.m. and 5 p.m. on business days, or at another time that has been agreed upon by the owner and the relevant inspecting entity, whether the enforcing agency, department, or private on-site inspection agency. Additionally, the bill allows local contracting units to utilize competitive contracting for the purpose of private on-site inspection agency services, as may be authorized by rules and regulations adopted by DCA.

The bill requires the commissioner to propose within six months and adopt within nine months rules and regulations to effectuate the provisions of the bill, including rules that provide for: the use of supplemental shared services agreements; the authorization of private on-site inspection agencies by the department to conduct on-site inspections; and the use of private on-site inspection agencies by municipalities and enforcing agencies. The rules and regulations are to allow an enforcing agency to perform other tasks as enumerated in the bill.

#### COMMITTEE AMENDMENTS:

The committee amendments to the bill:

- (1) clarify certain timelines concerning notifications to DCA;
- (2) clarify language concerning requested inspections and fee reconciliation;
- (3) establish a process authorizing utilization of certain private on-site inspection agency if an enforcing agency has demonstrated a repeated inability to conduct inspections within specified timelines;
- (4) require the enforcing agency to notify the department within 15 business days if the enforcing agency is unable to meet its obligations pursuant to law;
- (5) require the commissioner to propose within six months and adopt within nine months rules and regulations to effectuate the provisions of the bill;

- (6) provide that sections 1 through 3 of the bill will take effect upon adoption of the rules and regulations; and
- (7) make additional technical changes.