

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 1683

STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MAY 9, 2019

SUMMARY

Synopsis: Concerns regulation of solid waste, hazardous waste, and soil and fill recycling industries.

Type of Impact: State cost increase; State revenue increase.

Agencies Affected: Department of Environmental Protection, Department of the Treasury, and Office of the Attorney General.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue Increase		Indeterminate	
State Cost Increase		Indeterminate	

- The Office of Legislative Services (OLS) estimates the State would incur an indeterminate increase in costs to establish and administer the reciprocal information exchange system and centralized debarment list required by the bill.
- The OLS also estimates additional ongoing costs of an indeterminate amount from the regulation and oversight of persons and business concerns engaged in soil and fill recycling services, from expanded investigations and background checks on persons in the solid waste and hazardous waste industries, and from the additional regulatory reporting requirements in the bill.
- The OLS anticipates an indeterminate increase in State revenue from application, license, and other fees the Department of Environmental Protection (DEP) may establish to defray licensing costs associated with this bill.

BILL DESCRIPTION

This bill would expand the requirement for background checks to a broader range of persons involved in the solid waste and hazardous waste industries, such as sales persons, consultants,

and brokers. The bill also subjects persons or business concerns engaged in soil and fill recycling services to the same regulation and oversight under the law as that which applies to the solid waste industry. The bill requires any business concern that actively engages in, or otherwise provides, soil and fill recycling services to register with the DEP no later than 90 days after the date of enactment of the bill. No more than 90 days after submission of a registration form, the DEP would be required to issue a temporary soil and fill recycling registration to the business concern. No more than 270 days after the effective date of the bill, a registrant would be required to submit an application for a soil and fill recycling license with the Attorney General. A soil and fill recycling registration issued under the bill would expire upon a failure by the registrant to submit an application for a soil and fill recycling license or upon a final determination by the DEP regarding the registrant's application. The soil and fill recycling registration would authorize a registrant to provide soil and fill recycling services pending the approval or denial of the registrant's application. The bill would prohibit a business concern from engaging in soil and fill recycling services without a soil and fill recycling registration, soil and fill recycling license, or a prior approval issued by the department pursuant to P.L.1983, c.392 (C.13:1E-126 et seq.). The registration program established in the bill is temporary in nature, and any business concern that seeks to engage in soil and fill recycling services later than 90 days after the effective date of the bill that has not submitted a registration form would be required to file an application for a soil and fill recycling license with the Attorney General.

The bill prohibits the issuance of an approval under the program to persons debarred from operating in other states, and prohibits individuals otherwise deemed unsuitable for the solid waste, hazardous waste, or recycling industries, convicted felons, and others of questionable character from holding an indirect, non-licensed stake in these industries.

The bill requires the DEP, the Department of the Treasury, and the Attorney General to enter into a memorandum of agreement to provide for a reciprocal information exchange method to share information on the solid waste and soil and fill recycling industries and their license and permit holders and applicants. The bill requires the Attorney General to establish a reciprocal information exchange method with the State of New York and other states in the region to facilitate sharing of information on the solid waste, hazardous waste, and soil and fill recycling industries among the states in the region. The bill also requires the establishment of a centralized list in the Department of the Treasury of individuals and corporate entities who have been debarred by various State agencies from participation in a number of regulated industries apart from solid waste and recycling, such as construction, the casino gaming industry, and transportation.

Finally, the bill would authorize the DEP to establish application, license, and other fees to defray licensing costs associated with this legislation. Annual fees will be assessed based on a percentage of the licensee's gross operating revenue from intrastate operations during the preceding calendar year, and the collections will be deposited into a special account to be administered by the DEP for associated licensing costs.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates the State would incur an indeterminate increase in labor and materials costs to establish and administer the reciprocal information exchange system and centralized debarment list required by the bill. The OLS also estimates additional ongoing costs of an indeterminate amount from the regulation and oversight of persons and business concerns engaged in soil and fill recycling services, from expanded investigations and background checks on persons in the solid waste and hazardous waste industries, and from the additional regulatory reporting requirements in the bill. The bill will also result in increased State revenue, indeterminate in amount, from application, license, and other fees imposed by the DEP pursuant to the bill. These fees could be established at a level to offset most, if not all, of the costs incurred by the State.

Section: Environment, Agriculture, Energy and Natural Resources

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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.).