

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2897
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: DECEMBER 19, 2019

SUMMARY

- Synopsis:** Requires DCA to establish procedures for inspection and abatement of mold hazards in residential buildings and school facilities, and certification programs for mold inspectors and mold hazard abatement workers.
- Type of Impact:** Indeterminate increase in State expenditures and revenue.
- Agencies Affected:** Department of Community Affairs.

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) estimates that the bill will increase the Department of Community Affairs (DCA) expenditures and revenues due to the establishment and administration of the required certification programs. However, the OLS lacks sufficient information to quantify the impact of the bill on State finances.
- The bill requires the DCA to establish: (1) standards and procedures for the inspection and abatement of mold hazards; and (2) certification programs for persons who perform mold inspection and mold abatement work, respectively, in residential buildings and school facilities.
- Consequently, the bill is expected to increase DCA expenditures associated with administering the certification programs. However, the increase in expenditures may vary depending on whether DCA administers the certification programs in-house or through contracted third-party administrators.
- In addition, the bill is expected to increase DCA revenues associated with the collection of fees and penalties pursuant to the certification programs. Although the OLS cannot quantify the

anticipated increase in revenue, these collections may offset the additional expenditures that result from the bill.

BILL DESCRIPTION

The bill requires the DCA to establish certification programs for persons who conduct mold inspections and abatements, respectively, in residential buildings and school facilities. The bill also requires the DCA, in consultation with the Department of Health (DOH) and Department of Labor and Workforce Development (DOLWD), to establish procedures for the inspection and abatement of mold based on industry standards and guidelines developed by the United States Environmental Protection Agency.

Beginning on the first day of the sixth month after the DCA has established the certification programs, any person who conducts a mold inspection or abatement in a residential building or school facility is required to possess the applicable certification. Moreover, the bill prohibits any person from presenting himself as an expert in mold inspection or abatement unless certified by the DCA in accordance with the bill.

However, the bill provides that an employee of a multiple dwelling, who is engaged in the routine maintenance of the multiple dwelling, would not be required to possess either certification in order to address the presence of mold in a multiple dwelling owned and managed by their employer, provided that the multiple dwelling otherwise complies with the procedures established by the DCA concerning the inspection, identification, evaluation, and abatement of mold hazards. In addition, a residential property owner would not be required to complete the certification programs in order to perform mold inspections or mold hazard abatements on his or her own property.

The bill authorizes the DCA to: (1) charge an annual fee for persons possessing the mold inspection and abatement certifications; (2) require the successful completion of a continuing education course for certified inspectors or abatement workers at least once every two years; and (3) conduct examinations to determine an applicant's proficiency with respect to State and federal laws, rules, and regulations and any standards or requirements applicable to the inspection or abatement of mold hazards. The bill also authorizes DCA to maintain a list of the names and addresses of all persons certified by DCA in accordance with the bill, and annually forward the list to the DOLWD for inclusion and publication as an additional contractor list pursuant to the "Contractors' Registration Act," P.L.2004, c.16 (C.56:8-136 et seq.). In addition, the bill authorizes the DCA to adopt rules and regulations to enforce compliance with the mold inspection and mold hazard abatement certification programs established by the bill.

The bill also authorizes the DCA to grant mold inspection and mold hazard abatement certifications to persons who demonstrate the successful completion of an accredited program in mold inspection and mold hazard abatement by a nationally accepted accreditation organization, provided that those persons: (1) pay the annual fee charged by the DCA; (2) complete any continuing education course required by the DCA; and (3) comply with any other rules and regulations adopted by the DCA.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase DCA expenditures and revenues due to the establishment and administration of the mold inspection and abatement certification programs. Although applicable fee and penalty collections may offset the additional administrative expenses incurred as a result of the bill, the OLS lacks sufficient information to quantify the impact of the bill on State finances.

Specifically, the bill requires the DCA, in consultation with the DOH and DOLWD, to establish procedures for the inspection, identification, evaluation, and abatement of the interior of residential buildings and school facilities for mold. The bill also requires the DCA, within 12 months of the date of enactment, to establish certification programs for persons who conduct mold inspections and mold abatement work, respectively.

Consequently, the administration of the certification programs is expected to increase DCA expenditures. However, the increase in expenditures may vary depending on whether DCA administers the certification programs in-house or through contracted third-party administrators. For example, if the DCA administers the programs in-house, the department may be required to employ additional personnel and thereby incur additional costs associated with employee benefits; whereas, the use of third-party administrators may mitigate the need to hire additional personnel.

In addition, the bill permits the DCA to: (1) charge an annual fee for any person certified to perform mold inspection or abatement work; and (2) impose penalties on any person who violates the provisions of the certification programs or otherwise conducts any unlawful mold inspection or abatement work. As a result, the bill is also expected to increase annual DCA revenues. However, the OLS is unable to predict the magnitude of the revenue increase given the discretion afforded to the DCA in establishing fee and penalty rates. The OLS notes these fee collections may offset the additional expenditures incurred by the DCA as a result of the bill.

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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.).