

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2897

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2897.

This bill provides for the establishment of certain procedures for the inspection, identification, evaluation, and abatement of mold hazards in residential buildings and school facilities based upon, but not limited to, industry standards and standards and guidelines developed by the United States Environmental Protection Agency. The bill also provides for the establishment of programs to certify mold inspectors and mold hazard abatement workers.

The bill requires the Department of Community Affairs (DCA), in consultation with the Departments of Health and Labor and Workforce Development, to adopt, within six months after the effective date of the bill, rules and regulations that 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 to adopt, within 12 months after the effective date of the bill, rules and regulations that establish certification programs for persons who inspect for mold in residential buildings and school facilities and persons who perform mold hazard abatement work in those buildings.

The bill authorizes the DCA to charge an annual fee for the certification of persons who inspect for mold and perform mold hazard abatement, require the successful completion of a course of continuing education or training for certified inspectors or abatement workers at least once every two years, and 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. Further, the bill authorizes DCA to maintain a list of the names and addresses of all persons registered with DCA as provided under the bill, and annually forward the list to the Department of Labor and Workforce Development 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 provide for the enforcement of, and compliance with, the mold inspection and mold hazard abatement certification programs established by the bill.

The bill also authorizes the DCA to also grant mold inspection and mold hazard abatement certifications to persons who are able to demonstrate that they have successfully completed an accredited program in mold inspection and mold hazard abatement by a nationally accepted accreditation organization. The bill provides that the accredited program has to require persons enrolled in the program to have training and education that is determined by the DCA to be equal to or greater than the level of training and education required of persons who are otherwise certified by the DCA, that persons granted certification as a result of the successful completion of an accredited program pay the appropriate annual fee charged by the DCA, complete any course of continuing education and training for certified inspectors or abatement workers required by the DCA, and be subject to any other rules and regulations adopted by the DCA.

The bill provides that on the first day of the sixth month following the adoption of rules and regulations concerning the establishment of programs to certify mold inspectors and mold hazard abatement workers, any person who inspects for mold in residential buildings and school facilities and any person who performs mold hazard abatement work in those buildings has to be certified by the DCA. The bill also allows only certified contractors to represent themselves to the public as experts in mold inspection or mold hazard abatement, as applicable.

Finally, the bill provides that an employee engaged in routine maintenance of a multiple dwelling owned or managed by their employer will not be required to complete the certification program for mold inspectors or mold hazard abatement workers to address the presence of mold in the multiple dwelling owned or managed by their employer.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase State 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.

The administration of the certification programs is expected to increase expenditures for the Department of Community Affairs (DCA). 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.