

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4303
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 16, 2021

SUMMARY

Synopsis: “Smart Planning Wireless and Water Public Utility Facilities Act”; incentivizes placement of wireless communications equipment on water public utility towers.

Type of Impact: Annual decrease in State and local costs; annual increase in State revenue.

Agencies Affected: Various State agencies and local governments; Board of Public Utilities

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) finds that this bill could potentially result in an annual decrease in State and local government costs. This bill allows a water public utility to provide a wireless communications service provider with non-discriminatory access to any water tower owned or controlled by the water public utility for the installation of wireless communications equipment. A water public utility may charge a rental fee for the use of a water tower, the revenue of which may impact the water public utility’s rate base and decrease rates for ratepayers, which include the State and local government agencies.
- The bill may also potentially lead to an increase in rental income received by a water public utility for the leasing of space on a water tower to a wireless communications service provider, which could increase the amount of taxes collected by the State from these utilities.
- A determination of the magnitude of these fiscal impacts on State and local governments cannot be known at this time. The decrease in costs to the State and local governments and the increase in revenue to the State is dependent on factors that are not presently known, such as the number of water towers in the State upon which a wireless communications service provider will find it necessary to install equipment and the amount of money a water public utility may charge a wireless communications provider for the use of space on a water tower.

BILL DESCRIPTION

This bill allows a water public utility to provide a wireless communications service provider with non-discriminatory access to any water tower owned or controlled by the water public utility for the installation of wireless communications equipment. Consistent with federal law, a water public utility may deny a wireless communications service provider access to its water tower, on a non-discriminatory basis, where there is insufficient space and for reasons of safety and structural integrity of the water tower based on generally accepted engineering principles.

The bill provides that, in approving a water public utility's tariff, the Board of Public Utilities is to consider fifty percent of any rental income received by the water public utility for the leasing of space on its water tower to a wireless communications service provider as "above the line income." The board is to consider the remainder of that rental income as "below the line income."

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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A determination of the magnitude of these fiscal impacts on State and local governments cannot be known at this time. The decrease in costs to the State and local governments and the increase in revenue to the State is dependent on factors that are not presently known, such as the number of water towers in the State upon which a wireless communications service provider will find it necessary to install equipment and the amount of money a water public utility may charge a wireless communications provider for the use of space on a water tower.

Section: Authorities, Utilities, Transportation and Communications

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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.).