

LEGISLATIVE FISCAL ESTIMATE TO

ASSEMBLY, No. 1984

STATE OF NEW JERSEY

DATED: AUGUST 1, 1996

Assembly Bill No. 1984 of 1996 transfers various responsibilities of the Department of Community Affairs (DCA) with respect to certifying business firms doing lead evaluation and abatement work to the Department of Health (DOH). Fines, not to exceed \$1,000 for a first offense and \$5,000 for subsequent offenses, may be imposed on persons who knowingly or purposely violate the legislation's provisions.

Department Comments:

DOH and the Office of Management and Budget have not provided any fiscal information on the legislation.

Office of Legislative Services Comments:

Informal financial information provided by DOH indicates that 10 persons are involved in lead licensing and certification activities. Personnel costs of these individuals of between \$400,000 and \$500,000 are supported entirely by federal grants. Current revenues generated by DOH licensing activities of about \$170,000 are retained by DOH for use in various DOH activities, but would be used to support DOH's licensing and certification costs if federal grants are reduced or eliminated. Similarly, informal financial information provided by DCA estimates the enforcement cost of the "lead hazard evaluation and abatement code," N.J.A.C.5:17-1.1 et seq., at approximately \$353,000, including Department of Labor costs. The program charges a two-year \$1,500 application fee for certification as either a lead evaluation contractor or a lead abatement contractor and \$3,000 if certification is sought for both. Approximately \$75,000 has been collected since the program's inception. Until program income equals program expenses, other DCA fee revenues are being used to offset program costs and no State funds are being used to support program costs.

Consolidating administrative activities involving the certification of personnel involved in various aspects of lead abatement currently undertaken by DCA and DOH within DOH may reduce overall administrative costs by some unknown amount. It is also assumed that application fees charged by DOH, should the program be consolidated, will generate sufficient revenues to offset program costs and so no State funds will be required.

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.