

**LEGISLATIVE FISCAL ESTIMATE**

[Second Reprint]

**ASSEMBLY, No. 2863**

**STATE OF NEW JERSEY  
219th LEGISLATURE**

DATED: MARCH 26, 2021

**SUMMARY**

- Synopsis:** Requires public water systems to provide notice of elevated lead levels in drinking water to customers and local officials; requires landlords to notify tenants of elevated lead levels.
- Type of Impact:** Annual State and local expenditure increases.
- Agencies Affected:** Department of Environmental Protection and certain local governments.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>Local Expenditure Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill would result in an indeterminate annual State and local expenditure increase to produce and mail to customers serviced by a public water system (PWS) written notice of elevated lead levels.

**BILL DESCRIPTION**

This bill would require PWSs to provide their customers and municipal governments with expedited written notice by mail of elevated lead levels, and require landlords to notify their tenants of elevated lead levels in drinking water.

Specifically, the bill would require PWSs to send out an expedited notice as soon as practicable, but no later than 10 calendar days after the PWS confirms that there has been an exceedance of the lead action level. This written notice would be sent in a letter, by regular mail, addressed to “resident” or “property owner/tenant,” to both the service address and the mailing address of all customers served by the PWS, including all schools, daycare centers, facilities serving young children, public and private hospitals, medical clinics, doctor’s offices serving pregnant women and young children, and all local health and welfare agencies in the PWS’s service area, as well as the chief executive of each municipality in the PWS’s service area. The notice required by this bill would be in addition to the one required by federal law.

The bill would require this written notice to: (1) clearly state that the PWS is in exceedance of the lead action level; (2) explain what the lead action level is and the measurement process that the PWS is required to perform to monitor drinking water for lead; (3) provide additional information on the possible sources of lead in drinking water, the health effects of lead in drinking water, and measures a consumer can take to reduce or eliminate lead in drinking water; and (4) state the responsibility of a landlord to distribute the notice to all tenants served by the PWS.

Additionally, the bill would require landlords to provide all tenants with any notice or information received from a PWS concerning the presence of lead in drinking water, unless the tenant is also a customer of the PWS. The notice or information is to be distributed or posted as soon as practicable, but no later than three business days after receipt. The bill also would require PWSs to include a statement explaining the requirements imposed on landlords by the bill in any notice or information provided to its customers concerning the presence of lead in drinking water.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS determines that the bill would produce an annual State expenditure increase, likely marginal, to the General Fund and an indeterminate annual local expenditure increase to produce and mail to customers serviced by a PWS written notice of elevated lead levels. The OLS is unable to determine a precise cost estimate since the number of PWS's that will experience an elevated lead level cannot be determined. However, the OLS notes that under the federal Lead and Copper Rule, if a PWS exceeds the federal lead action level during any monitoring period, the PWS is required to deliver public education materials to its customers within 60 days. Therefore, the costs associated with this bill could be mitigated to the extent that a PWS is already distributing materials to its customers pursuant to the federal law for elevated lead levels. However, the new expedited 10-day notification timeframe established by the bill could result in some cost increases for affected municipalities.

The OLS notes that there are approximately 3,700 individual water systems in active status in the State, which consist of: (1) 582 PWS such as those that serve municipalities; (2) 720 non-transient non-community systems such as those that serve businesses, hotels, and schools; and (3) 2,372 transient non-community systems such as those that serve businesses, camps, churches, hotels, and restaurants. The 582 PWS's that serve municipalities are split between investor-owned utilities and publicly-owned utilities (e.g., municipal utilities, regional utility authorities, and the State). Approximately 40 percent of New Jersey's population is served by four investor-owned utilities (New Jersey American Water, SUEZ, Middlesex Water, and Aqua-NJ), which operate in 300 municipalities. The remaining 60 percent, or 349 PWS, are municipalities, publicly-owned utilities operated by a municipal utility or regional utility authority. A small fraction of those 349 PWS's are owned and operated by the State so any expenditure increase from the State General Fund is likely to be marginal.

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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.).