

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 5160
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 19, 2021

SUMMARY

- Synopsis:** Establishes minimum energy and water efficiency standards for certain products sold, offered for sale, or leased in the State.
- Type of Impact:** Annual State expenditure and revenue increase.
- Agencies Affected:** Department of Community Affairs; Department of Law and Public Safety

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) determines that this bill will result in a marginal one-time expenditure increase to the State as the Commissioner of Community Affairs is required to adopt rules and regulations to establish energy efficiency standards to implement the provisions of the bill. Furthermore, the Department of Community Affairs (DCA) is required to conduct a study to evaluate whether to add additional products to those regulated pursuant to the bill, and whether to adopt more stringent energy standards or water conservation standards. The OLS assumes that these requirements can be subsumed within existing staff duties.
- The OLS notes that there may be an additional marginal annual expenditure increase by the DCA for periodically inspecting distributors or retailers of new products regulated under this bill; investigating complaints received concerning violations; and issuing violations. The OLS assumes that these responsibilities can be subsumed within normal staff duties.
- The OLS notes that there may be a marginal State revenue increase from the civil penalties established pursuant to the bill.

BILL DESCRIPTION

This bill sets specific, up-to-date efficiency standards for selected residential and commercial products. These energy and water efficiency standards are based on various sources including ENERGY STAR and WaterSense specifications, standards developed and adopted by the California Energy Commission.

No later than one year after the date of enactment of this act, the commissioner is required to adopt rules and regulations to establish energy efficiency standards to implement the provisions of this act. The commissioner may require an updated test method when a new test procedure becomes available for a product regulated pursuant to this act. The commissioner is required to identify each product regulated under the bill and is required to allow the use of existing marks, labels, or tags, to denote compliance with the efficiency requirements of this act, pursuant to rules and regulations adopted pursuant to the Administrative Procedure Act.

A manufacturer of a product regulated pursuant to this act is required to annually test samples of its products in accordance with the test procedures adopted under this bill. A manufacturer of a product regulated under this bill is required to annually certify to the commissioner that the product is in compliance with the provisions of this act. A manufacturer of a product regulated pursuant to this bill is required to identify that each product offered for sale in the State is in compliance with the provisions of this act by means of a mark, label, or tag on the product and packaging at the time of sale. With prior notice, the commissioner may periodically inspect distributors or retailers of new products regulated under this bill in order to determine compliance with the provisions of the bill.

The commissioner is required investigate complaints received concerning violations of this act and is required report the results of such investigations to the Attorney General. A manufacturer, distributor, retailer, or person who violates the provisions of this act will be issued a warning by the commissioner for a first violation and will be subject to a civil penalty of up to \$100 for each subsequent offense. Third and subsequent violations will be subject to a civil penalty of not more than \$500 for each offense. Each violation will constitute a separate offense, and each day that such violation continues will constitute a separate offense.

If a product regulated pursuant to this act is found not to be in compliance with the minimum efficiency standards established under this bill, the commissioner is required issue a violation to the manufacturer of such product which will subject the manufacturer to a civil penalty equal to the cost of product purchase and testing. The commissioner will be required to make information available to the Attorney General and the public on products found not to be in compliance with the standards.

No later than three years after the date of enactment of this act, the Department of Community Affairs is required to conduct a study to evaluate whether to add additional products to those regulated pursuant to this act, and whether to adopt more stringent energy standards or water conservation standards. The commissioner is required to submit a written report thereon to the Governor and to the Legislature with recommendations for legislative action.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that this bill will result in a marginal one-time expenditure increase to the State as the Commissioner of Community Affairs is required to adopt rules and regulations to establish energy efficiency standards to implement the provisions of the bill. Further, no later than three years after the date of enactment of the bill, the DCA is required to conduct a study to evaluate whether to add additional products to those regulated pursuant to the bill, and whether to adopt more stringent energy standards or water conservation standards. The OLS assumes that these requirements can be subsumed within existing staff duties.

The OLS notes that there may be an additional marginal annual expenditure increase for periodically inspecting distributors or retailers of new products regulated under this bill in order to determine compliance with the provisions of the bill; investigating complaints received concerning violations of the bill's provisions and reporting the results of such investigations to the Attorney General; and issuing a violation to the manufacturer if a product regulated pursuant to the bill is found not to be in compliance with the minimum efficiency standards established under the bill and making such information regarding the violation available to the Attorney General and the public. The OLS assumes that these responsibilities can be subsumed within normal staff duties.

The OLS notes that there may be a marginal State revenue increase from the civil penalties established pursuant to the bill.

Section: Environment, Agriculture, Energy, and Natural Resources

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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.).