

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5840
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 28, 2021

SUMMARY

Synopsis: Authorizes State Treasurer to enter lease for real property and improvements with NJEDA for construction of New Jersey Wind Port in Lower Alloways Creek Township, Salem County.

Type of Impact: Annual State expenditure increase from the General Fund.

Agencies Affected: Department of the Treasury, Economic Development Authority.

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) determines that this bill will lead to an annual expenditure increase from the State General Fund, to pay the costs of leasing a parcel of land from the Public Service Electric and Gas Company (PSEG). The amount of the expenditure increase is indeterminate, because the OLS is unaware of the details of the lease agreement, which may still be in the process of being negotiated.
- The OLS also notes that the Governor's FY 2022 Budget recommends a \$200 million appropriation to fund the construction of the New Jersey Wind Port. If included in the FY 2022 appropriations act, some of the funding may be utilized to pay the leasing costs of the site.

BILL DESCRIPTION

This bill authorizes the State Treasurer to enter into a lease for real property and improvements with the New Jersey Economic Development Authority (EDA) for real property and improvements acquired, leased, or caused to be constructed by the EDA for the New Jersey Wind Port in Lower Alloways Creek Township, Salem County. The State Treasurer would be required to notify, in writing, the President of the Senate and the Speaker of the General Assembly seven days prior to entering into a lease pursuant to the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that this bill will lead to an annual expenditure increase from the State General Fund, to pay the costs of leasing the parcel of land in question from the Public Service Electric and Gas Company. The amount of the expenditure increase is indeterminate, because the OLS is unaware of the details of the lease agreement, which may still be in the process of being negotiated.

The OLS also notes that the Governor's FY 2022 Budget recommends a \$200 million appropriation to fund the construction of the New Jersey Wind Port. If included in the FY 2022 appropriations act, some of the funding may be utilized to pay the leasing costs of the site.

Section: Environment, Agriculture, Energy, and Natural Resources

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Legislative Budget and Finance Officer*

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.).