

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3324

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 8, 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 Department of Community Affairs (DCA) is required to adopt rules and regulations to establish energy efficiency standards to implement the provisions of the bill. Furthermore, 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 by the DCA for periodically inspecting distributors and 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 would set specific, up-to-date efficiency standards for selected residential and commercial products. The energy and water efficiency standards are based on various sources

including ENERGY STAR and WaterSense specifications and standards developed and adopted by the California Energy Commission.

The bill would prohibit the sale, offer for sale, or lease of a new air purifier, cold temperature fluorescent lamp, commercial dishwasher, commercial fryer, commercial hot-food holding cabinet, commercial oven, commercial steam cooker, computer, computer monitor, electrical vehicle service equipment, high color rendering index fluorescent lamp, impact-resistant fluorescent lamp, faucet, showerhead, toilet, urinal, portable electric spa, residential ventilating fan, state-regulated general service lamp; spray sprinkler body, urinal, or water cooler in the State unless the new product meets or exceeds the efficiency standards adopted in rules and regulations by the Commissioner of the DCA.

The commissioner may require an updated test method when a new test procedure becomes available for a product regulated under the bill. The commissioner is 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 bill.

A manufacturer of a product regulated under the bill is to annually test samples of its products in accordance with the test procedures adopted under the bill, annually certify to the commissioner that the product is in compliance with the provisions of the bill, and identify that each product offered for sale in the State is in compliance with the provisions of the bill 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 the bill in order to determine compliance with the provisions of the bill.

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

If a product regulated under the bill is found not to be in compliance with the minimum efficiency standards established under this bill, the commissioner is required to issue a violation to the manufacturer of such product which would 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 DCA 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 and 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

*Analyst: Eric Hansen
Associate Research Analyst*

*Approved: Thomas Koenig
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.).