

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

## ASSEMBLY, No. 4759

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 29, 2023

#### SUMMARY

- Synopsis:** Requires public water systems and landlords to provide certain notice of elevated perfluoroalkyl or polyfluoroalkyl substances levels in drinking water; requires DEP to establish educational program.
- Type of Impact:** Annual expenditure and revenue increases to the State and expenditure increase to local governments.
- Agencies Affected:** Department of Environmental Protection, Department of Health, local government units.

#### Office of Legislative Services Estimate

Fiscal Impact	
<b>One-Time State Cost Increase</b>	Indeterminate
<b>Annual Local Cost Increase</b>	Indeterminate
<b>Annual State Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) determines that there will be an indeterminate one-time cost for the Department of Environmental Protection and the Department of Health to establish an educational program concerning the presence of perfluoroalkyl or polyfluoroalkyl substances (PFAS) in drinking water. The OLS assumes that the costs to establish and update the educational program and to create and annually update the website could be subsumed within existing staff duties.
- The OLS notes that local governments operating public water systems could incur some annual costs to provide the required notifications to customers when maximum PFAS levels are exceeded. This estimate could vary significantly year to year as new violations are reported.
- An indeterminate amount of annual revenue could accrue from violations of the bill's provisions.

## **BILL DESCRIPTION**

This bill would require public water systems to provide certain notifications about elevated PFAS levels in drinking water to customers and local officials, require landlords to notify tenants of elevated PFAS levels in drinking water, and require the Department of Environmental Protection, in conjunction with the Department of Health, to establish an educational program concerning the presence of PFAS in drinking water.

Beginning 18 months after the bill's enactment, a public water system whose drinking water exceeds a PFAS maximum contaminant level would be required to provide a written notice to all customers served by the public water system, including all residences, schools, daycare centers, and facilities serving young children, all public and private hospitals, medical clinics, and doctor's offices serving pregnant women and young children, all local health and welfare agencies in the public water system's service area, and the chief executive of each municipality in the public water system's service area. The written notice would be required to be sent no later than 30 calendar days after the public water system confirms that there has been an exceedance of a PFAS maximum contaminant level.

Those public water systems where an exceedance has been found would be required to establish a website and to provide options allowing customers to sign up to receive those notifications by email, text message, or mail under the bill. The bill would also require a public water system to provide a written notification informing customers when a PFAS exceedance has ended. A public water system that violates any of the notification requirements of the bill would be considered to be in violation of the Safe Drinking Water Act, which could result in civil administrative penalties of up to \$25,000.

Whenever a landlord receives any notice or health and safety information from a public water system concerning the presence of PFAS in drinking water they are required to distribute, by any means, including by electronic mail, the notice or information and post the notice or information in a prominent location at the entrance of each rental premises. A landlord that violates any of the requirements of the bill may be subject to civil administrative penalties.

Finally, the bill would require the Department of Environmental Protection and the Department of Health, no later than one year after the bill's enactment, to establish and implement an educational program concerning PFAS in drinking water. The Department of Environmental Protection would be required to publish the educational program on its website and update it annually.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS determines that there will be an indeterminate one-time cost for the Department of Environmental Protection and the Department of Health to establish an educational program concerning the presence of PFAS in drinking water. The OLS assumes that the costs to establish and update the educational program and to create and annually update the website could be subsumed within existing staff duties.

The OLS notes that local governments operating public water systems could incur some annual costs to provide the required notifications to customers when maximum PFAS levels are exceeded. This cost could vary significantly year to year as new violations are reported.

An indeterminate amount of annual revenue could accrue from violations of the bill's provisions, but widespread noncompliance is not anticipated.

For background, there are approximately 3,700 water systems in the State, which consist of: (1) 582 public water systems such as those that serve municipalities; (2) 720 non-transient non-community systems that serve businesses, hotels, and schools; and (3) 2,372 transient non-community systems that serve businesses, camps, churches, hotels, and restaurants.. According to a recent DEP publication, 74 public water systems' drinking water exceeds a PFAS MCL.

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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.).