LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 5394

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 15, 2026

SUMMARY

Synopsis: Requires certain State-funded construction projects to utilize plastic construction materials that contain certain amounts of postconsumer recycled content.

Type of Impact: Annual State expenditure increase.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that requiring State-funded construction projects to incorporate plastic construction materials that contain postconsumer recycled content will result in an indeterminate annual State expenditure increase.

- The actual increase will depend on the number of construction projects subject to the requirement, the scope of each construction project, and the amount of plastic construction materials used in such projects.

- The bill provides exemptions to the postconsumer recycled content requirements if the overall cost of the project increases by at least 20 percent, if construction materials, other than plastic construction materials that meet the postconsumer recycled content requirements, do not exist for the intended application or are not available, if the use of plastic construction materials that meet the postconsumer recycled content requirements would cause structural integrity issues for the project that cannot be reasonably mitigated without the use of construction materials that do not meet the postconsumer recycled content requirements, or if the project is creating low- or moderate-income housing. These exemptions may help to lower the State expenditure increases associated with the provisions of the bill.

BILL DESCRIPTION

This bill requires State-funded construction projects to incorporate plastic construction materials that contain postconsumer recycled content.

Under the bill, plastic construction materials are required to contain 10 percent of postconsumer recycled content if purchased within two years following the bill's enactment, and 15 percent thereafter. The bill also provides exemptions to the postconsumer recycled content requirements if: (1) the overall cost of the project would increase by at least 20 percent; (2) construction materials, other than plastic construction materials that meet the postconsumer recycled content requirements, do not exist for the intended application, are not available in sufficient quantities, or are not available within 60 days of the start of construction of the project; (3) a licensed architect or engineer has certified that the use of such construction materials would cause structural integrity issues for the project that are likely to materially and negatively impact the safety of future occupants of the project and cannot be reasonably mitigated without the use of construction materials that do not meet the postconsumer recycled content requirements; or (4) the project is creating low- or moderate-income housing.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that requiring State-funded construction projects to incorporate plastic construction materials that contain postconsumer recycled content will result in an indeterminate annual State expenditure increase since postconsumer recycled content has greater costs associated with its production, leading to higher costs for buyers.

The actual increase will depend on the number of construction projects subject to the requirement, the scope of each construction project, and the amount of plastic construction materials used in such projects.

The bill provides exemptions to the postconsumer recycled content requirements, as enumerated above. These exemptions may help to lower the State expenditure increases associated with the provisions of the bill.

Section: *State Government*

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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.).