

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 3545

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED JANUARY 8, 2026

Sponsored by:

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Senator BOB SMITH

District 17 (Middlesex and Somerset)

SYNOPSIS

“Polluters Pay to Make New Jersey More Affordable Act”; imposes liability on certain fossil fuel companies for funds needed for climate change adaptation projects; establishes program in DEP to collect and distribute funds.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



1 AN ACT concerning revenues to support climate change adaptation
2 projects and supplementing Title 26 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. This act shall be known and may be cited as the “Polluters
8 Pay to Make New Jersey More Affordable Act.”

9

10 2. a. The Legislature finds and declares that:

11 (1) climate change, driven chiefly by the combustion of fossil
12 fuels, is an immediate and grave threat to the State’s communities,
13 environment, and economy; its irreversible consequences already
14 confronting the State include rising sea levels, increasing average
15 temperatures, more frequent and severe extreme-weather events,
16 flooding, heat waves, toxic algal blooms, and other climate-related
17 hazards;

18 (2) preserving the State’s quality of life, particularly for today’s
19 youth, who will bear the brunt of climate impacts over their
20 lifetimes, constitutes one of the State’s greatest challenges for the
21 next three decades and will require a shared sense of purpose,
22 substantial new or upgraded infrastructure, and dependable revenue
23 sources;

24 (3) New Jersey’s Spill Compensation fund already embodies the
25 principle that entities responsible for environmental harm must
26 finance its remediation, yet no analogous mechanism exists to
27 address atmospheric pollution caused by the buildup of greenhouse
28 gases;

29 (4) decades of peer-reviewed research now make it possible to
30 quantify, with high confidence, the proportion of historic
31 greenhouse-gas emissions attributable to the extraction of fossil
32 fuels by individual companies over the past 50 years and longer,
33 enabling assignment of proportional responsibility, with data
34 regarding emissions attributable to the extraction of fossil fuels
35 being widely available and administratively straightforward to use;

36 (5) the Legislature therefore intends to establish a Climate
37 Adaptation, Resiliency, and Affordability Program that will require
38 companies with significant historic contributions to greenhouse-gas
39 emissions to bear a share of the cost of infrastructure investments
40 and other adaptation measures necessary to protect State residents,
41 businesses, and natural resources;

42 (6) while the Legislature is not making any findings of
43 negligence or wrongdoing, or seeking to punish covered companies,
44 it is in the best judgment of the Legislature to establish that the
45 covered companies are strictly liable for monetary contributions to
46 address the harm that has been caused and to require covered
47 companies to contribute, because the emissions associated with the
48 use of their products contributed to climate change;

1 (7) program payments will support a range of resiliency projects
2 that address the impacts of climate change, such as coastal-wetland
3 restoration; storm-water and drainage upgrades; energy-efficient
4 cooling systems in public and private buildings, including schools
5 and public housing; public-health initiatives targeting climate-
6 related hazards; and emergency responses to extreme-weather
7 events;

8 (8) based on credible research from government agencies,
9 universities, and respected research organizations, New Jersey
10 residents and businesses have been paying billions of dollars to
11 address the impact of climate change, from more severe flooding to
12 heat waves and wildfires. The cited cost studies are a small fraction
13 of the costs New Jerseyans have already paid and will pay to adapt
14 to climate change, for example: (a) according to a Rutgers
15 University and Stevens Institute of Technology report, climate
16 change caused approximately 13 percent (\$8.1 billion) of the \$62.7
17 billion in losses incurred by New York, New Jersey, and
18 Connecticut from Superstorm Sandy; (b) from 2011 to 2024, New
19 Jersey has the fifth highest per capita spending on climate disasters
20 in the nation with every county experiencing at least five disasters;
21 (c) according to peer-reviewed research, the impact of severe heat
22 alone cost over \$108 billion in reduction of New Jersey's Gross
23 Domestic Product (GDP) between 1991-2002; and (d) according to
24 a report by the Rhodium Group and co-authored by Rutgers
25 University, University of California, Berkeley, and the University
26 of Chicago, the estimated average annual loss to New Jersey from
27 hurricane-related wind and flood damage today is likely \$670
28 million to \$1.3 billion higher than it would have been if sea levels
29 and hurricane activity in the 1980s remained constant;

30 (9) State and federal agencies have already identified tens of
31 billions in climate adaptation projects, for example: (a) the
32 Department of Environmental Protection (DEP) publicly identified
33 over \$15.3 billion in new climate adaptation projects for just 11 of
34 New Jersey's 564 municipalities; (b) the North Jersey
35 Transportation Planning Authority has identified over \$3 billion in
36 prioritized climate resiliency projects; (c) a U.S. Army Corps of
37 Engineers (USACE) back-bay coastal resilience plan, for just a
38 portion of the New Jersey shore, proposed the elevation of
39 approximately 6,400 homes and flood-proofing of 279 critical
40 facilities at an estimated cost of \$7.6 billion; and (d) a 2022 draft
41 USACE report studied the metropolitan New York City, lower New
42 York, Long Island, and northern New Jersey shoreline and proposed
43 a \$52.7 billion plan to comprehensively address the region's coastal
44 storm risk, including the construction of sea walls. These projects
45 represent a small fraction of the costs of needed climate adaptation
46 projects and primarily include projects focused on flood prevention,
47 but New Jersey will also need climate adaptation projects that

1 address severe heat, wildfires, drought, public health risks, and
2 many other climate impacts;

3 (10) the State, universities, and research organizations have
4 identified hundreds of billions of dollars of potential climate change
5 impacts, including a 2025 Rutgers University report documenting
6 that over 699,000 properties, valued at \$273.9 billion, are at risk of
7 flooding. Homes make up the largest percentage of these
8 properties, as well as 31,907 commercial and industrial properties,
9 4,235 farms, 2,997 apartments, 2,374 church and charitable
10 organization properties, and 942 school properties. By 2050, more
11 than \$435.9 billion in current property value Statewide will be
12 exposed to high flood risk, according to a 2025 analysis by Rebuild
13 by Design;

14 (11) it is time for the covered companies to pay their fair share of
15 climate adaptation costs. Just three of the largest domestic oil and
16 gas producers had combined 2023 profits of \$85.6 billion. In 2023,
17 during a downturn in crude oil prices, ExxonMobil, Chevron, Shell,
18 BP, and TotalEnergies still spent over \$114 billion on stock
19 buybacks and dividends. Scientific analyses attribute more than 70
20 percent of post-1988 global greenhouse-gas emissions to the
21 world's 100 largest fossil-fuel companies, underscoring their
22 elevated responsibility;

23 (12) based on anticipated climate adaptation costs, the
24 Legislature declares that responsible parties shall be strictly liable
25 to the State for a proportionate share of funds needed for climate
26 adaptation projects, in the total amount of \$50 billion. This
27 assessment represents only a fraction of the State's anticipated
28 adaptation costs while remaining modest relative to industry
29 capacity;

30 (13) the program will cover emissions associated with the
31 responsible parties' fossil fuel extraction from 1995 through 2024, a
32 period during which the science of climate change was well
33 established, including the role of "man-made" greenhouse gas
34 emissions, and robust data exist to allocate proportional
35 responsibility;

36 (14) the program will be remedial in nature, seek compensation
37 for harm arising from past pollution to fund adaptation needs, is not
38 regulatory or punitive, and is not intended to intrude upon areas
39 where federal law preempts State authority; and

40 (15) the program would not provide any State entity additional
41 authority to regulate greenhouse gas emissions or other pollutants,
42 or to raise other revenue or create any new surcharges on energy
43 consumers or small businesses, beyond an assessment of covered
44 companies.

45 b. The Legislature therefore determines that it is in the public
46 interest to establish a cost-recovery mechanism that shifts a fair
47 share of adaptation expenses from State taxpayers to the entities
48 whose products have contributed to climate change.

1 3. As used in this act:

2 “Carbon dioxide equivalent” means the amount of carbon
3 dioxide by mass that would produce the same global warming
4 impact as a given mass of another greenhouse gas over an
5 integrated 20-year time frame after emission.

6 “Climate change adaptation project” means a project designed to
7 respond to, avoid, moderate, repair, or adapt to negative impacts
8 caused by climate change and to assist human and natural
9 communities, households, and businesses to prepare for future
10 climate-change-driven disruptions, while maximizing
11 environmental protections. “Climate change adaptation projects”
12 include, but are not limited to: flood protection projects; home
13 buyouts; upgrades of stormwater drainage systems; defensive
14 upgrades to roads, bridges, railroads, and transit systems;
15 preparation for, and recovery from, extreme weather events;
16 preventive health care programs and providing medical care to treat
17 illness or injury caused by the effects of climate change; relocation,
18 elevation, or retrofits of sewage treatment plants and other
19 infrastructure vulnerable to flooding; outdoor tree planting and
20 installation of energy efficient cooling systems and other
21 weatherization and energy efficiency upgrades and retrofits in
22 public and private buildings, including schools and public housing,
23 designed to reduce the public health effects of more frequent heat
24 waves and forest fire smoke; upgrades to the electrical grid to
25 increase stability and resilience, including the creation of self-
26 sufficient microgrids; and response to toxic algae blooms, loss of
27 agricultural topsoil, crop loss, and other climate-driven ecosystem
28 threats to clean water, safe and plentiful drinking water, wetlands,
29 forests, farms, fisheries, and food systems.

30 “Coal” means bituminous coal, anthracite coal, and lignite.

31 “Commissioner” means the Commissioner of Environmental
32 Protection.

33 “Controlled group” means two or more entities treated as a single
34 employer pursuant to: (1) 26 U.S.C. s.52(a) or (b), without regard
35 to 26 U.S.C. s.1563(b)(2)(C); or (2) 26 U.S.C. s.414(m) or (o).

36 “Cost recovery demand” means a charge imposed upon a
37 responsible party for cost recovery payments under the Climate
38 Adaptation, Resiliency, and Affordability Program established
39 pursuant to section 5 of this act for payment into the Climate
40 Adaptation, Resiliency, and Affordability Fund established pursuant
41 to section 7 of this act.

42 “Covered greenhouse gas emissions” means, with respect to any
43 entity, the total quantity of greenhouse gas emissions, expressed in
44 metric tons of carbon dioxide equivalent, attributable to the total
45 amount of fossil fuels extracted by that entity during the covered
46 period. “Covered greenhouse gas emissions” includes those
47 emissions attributable to all fossil fuel extraction worldwide by an

1 entity, and are not limited to greenhouse gas emissions within the
2 State.

3 “Covered period” means the time period beginning on January 1,
4 1995 and ending on December 31, 2024.

5 “Crude oil” means oil or petroleum of any kind and in any form,
6 including bitumen, oil sands, heavy oil, conventional and
7 unconventional oil, shale oil, natural gas liquids, condensates, and
8 related fossil fuels.

9 “Department” means the Department of Environmental
10 Protection.

11 “Entity” means any individual, trustee, agent, partnership,
12 association, corporation, company, municipality, political
13 subdivision, or other legal organization, including a foreign nation,
14 that holds or held an ownership interest in a fossil fuel business
15 during the covered period.

16 “Fossil fuel” means coal, crude oil, and fuel gases.

17 “Fossil fuel business” means a business engaging in the
18 extraction of fossil fuels.

19 “Fuel gas” means methane, natural gas, and liquefied natural gas.

20 “Greenhouse gas” means the same as the term is defined in
21 section 3 of P.L.2007, c.112 (C.26:2C-39).

22 “Notice of cost recovery demand” means the written
23 communication from the department informing a responsible party
24 of the amount of the cost recovery demand payable into the Climate
25 Adaptation, Resiliency, and Affordability Fund established pursuant
26 to section 7 of this act.

27 “Overburdened community” means the same as the term is
28 defined in section 2 of P.L.2020, c.92 (C.13:1D-158).

29 “Public entity” means the State, a county, a municipality, a
30 municipal or county authority, or any commission or other political
31 subdivision of the State.

32 “Qualifying expenditure” means an authorized payment from the
33 Climate Adaptation, Resiliency, and Affordability Fund established
34 pursuant to section 7 of this act to pay for: (1) a climate change
35 adaptation project, including its operation, monitoring, and
36 maintenance; or (2) reasonable expenses associated with the
37 administration of the Climate Adaptation, Resiliency, and
38 Affordability established pursuant to section 5 of this act.

39 “Responsible party” means an entity or a successor in interest to
40 an entity that during any part of the covered period was engaged in
41 the trade or business of extracting fossil fuel and to which the
42 department has determined more than one billion metric tons of
43 covered greenhouse gas emissions are attributable, except that
44 “responsible party” shall not include any entity that lacks sufficient
45 connection with the State to satisfy the nexus requirements of the
46 United States Constitution.

1 4. a. No later than six months after the effective date of this act,
2 the Commissioner of Environmental Protection shall submit to the
3 Senate Environment and Energy Committee and the Assembly
4 Environment, Natural Resources and Solid Waste Committee, or
5 their successor committees, an assessment of the covered
6 greenhouse gas emissions attributable to each responsible party.

7 b. Each responsible party shall make payments to the State
8 according to its proportional contribution to the total covered
9 greenhouse gas emissions attributable to responsible parties, as
10 determined by the commissioner pursuant to subsection a. of this
11 section. A responsible party shall be strictly liable, without regard
12 to fault, for a share of the cost recovery amount, which shall be
13 used for the costs of climate change adaptive infrastructure projects,
14 including their operation and maintenance, in the total amount of
15 \$50 billion.

16 c. Responsible parties that are entities in a controlled group shall
17 be treated as a single entity for identification purposes, but shall be
18 jointly and severally liable for the payment of any cost recovery
19 demand owed by any entity in the controlled group.

20 d. If a responsible party owns a minority interest of 10 percent
21 or more in another entity, the responsible party's applicable share of
22 covered greenhouse gas emissions shall be increased by the
23 applicable share of covered greenhouse gas emissions for the entity
24 in which the responsible party holds a minority interest multiplied
25 by the percentage of the minority interest held by the responsible
26 party.

27 e. In determining the amount of covered greenhouse gas
28 emissions attributable to any entity, the department may:

29 (1) require an entity to provide information to the department
30 related to past practices, production, extraction, emissions, or other
31 historical information about the entity necessary or appropriate to
32 enable the department to determine whether such entity is a
33 responsible party and, if so, the amount of such responsible party's
34 covered greenhouse gas emissions;

35 (2) apply consistent emissions factors, consistent with the
36 provisions of the "Global Warming Response Act," P.L.2007, c.112
37 (C.26:2C-37 et seq.), to convert extraction data into greenhouse gas
38 emissions; and

39 (3) utilize any pertinent financial information provided by the
40 entity to the Department of the Treasury. Implementing the
41 provisions of this section shall constitute the performance of official
42 duties for the purposes of R.S.54:50-8.

43 f. Prior to the issuance of any final cost recovery demand
44 pursuant to this act, the department shall publish on its Internet
45 website a plain-language summary of the methodology, emissions
46 factors, and publicly available data sources used to determine
47 proportional responsibility under this section. The publication of
48 this information shall be for transparency purposes only and shall

1 not alter, expand, or otherwise affect the authority of the department
2 to make determinations pursuant to this act.

3

4 5. a. There is established the Climate Adaptation, Resiliency,
5 and Affordability Program in the Department of Environmental
6 Protection. The purposes of the program shall be to:

7 (1) secure payments from responsible parties;

8 (2) impose cost recovery demands on responsible parties and
9 issue

10 notices of cost recovery demands;

11 (3) accept and collect payment from responsible parties; and

12 (4) disperse funds to implement climate change adaptation
13 projects.

14 b. The department shall issue the cost recovery demands
15 required under this section no later than six months following the
16 adoption of the rules and regulations required under section 11 of
17 this act.

18 c. (1) Except as provided in paragraph (2) of this subsection, a
19 responsible party shall pay the cost recovery demand amount in full
20 no later than six months following the department's issuance of the
21 cost recovery demand.

22 (2) A responsible party may elect to pay the cost recovery
23 demand amount in 20 annual installments, provided that:

24 (a) the first installment shall be paid no later than six months
25 following the department's issuance of the cost recovery demand
26 and shall be equal to five percent of the total cost recovery demand
27 amount;

28 (b) each subsequent installment shall be paid one year from the
29 initial payment each subsequent year and shall be equal to five
30 percent of the total cost recovery demand amount. The
31 commissioner shall adjust the amount of a subsequent installment
32 payment to reflect increases or decreases in the Consumer Price
33 Index;

34 (c) the unpaid balance of all remaining installments shall become
35 due immediately if the responsible party fails to pay any installment
36 in a timely manner, if there is a liquidation or sale of all, or
37 substantially all, the assets of the responsible party, or if the
38 responsible party ceases to do business; and

39 (d) in the case of a sale of all, or substantially all, the assets of a
40 responsible party, the remaining installments shall not become due
41 immediately if the buyer enters into an agreement with the
42 department under which the buyer assumes liability for the
43 remaining installments due under this section in the same manner as
44 if the buyer were the responsible party.

45 d. The department shall deposit cost recovery payments into the
46 Climate Adaptation, Resiliency, and Affordability Fund established
47 by section 7 of this act.

1 e. A responsible party shall not assign any part of its obligation
2 to satisfy a cost recovery demand to a non-responsible party, nor
3 assert any claim for reimbursement or coverage for a cost recovery
4 demand against a non-responsible party.

5 f. The department shall publish all information, requests for
6 proposals, application forms, procedures, and guidelines related to
7 the Climate Adaptation, Resiliency, and Affordability Program on
8 its Internet website and in a manner that is accessible to the public
9 and all potential recipients.

10
11 6. a. The department shall establish a process by which a
12 responsible party may file a request for reconsideration of its cost
13 recovery demand with the department within 60 days following
14 service of the notice of cost recovery demand if within the United
15 States, and within 90 days following such service outside the United
16 States, and in doing so shall exhaust administrative remedies.

17 b. A request for reconsideration shall state the grounds for the
18 request and include supporting documentation, which may include,
19 but is not limited to, documentation of the party's covered
20 greenhouse gas emissions and the party's contacts with the State.

21 c. The department shall consider each request for
22 reconsideration received pursuant to this section, and shall
23 determine whether the requester establishes to the satisfaction of the
24 department that a portion of the requester's cost recovery demand
25 amount was attributable to another responsible party, or an entity
26 that is a successor in interest to the responsible party, and whether
27 the notices of cost recovery demand should be updated. If the
28 department determines that the notices of cost recovery demand
29 should be updated, the department shall issue updated notices of
30 cost recovery demand, which shall include a statement of the
31 grounds of the department's determination, within 60 days
32 following the expiration of all periods for submitting a request for
33 reconsideration under this section.

34 d. If a notice of cost recovery demand issued pursuant to
35 subsection c. of this section results in a new responsible party
36 receiving a notice of cost recovery demand that was not issued a
37 notice of cost recovery demand by the date required by subsection
38 b. of section 5 of this act, then, in the same manner as set forth in
39 subsections a. through c. of this section, the responsible party shall
40 have 60 days from service within the United States, and 90 days
41 from service outside the United States, to file a request for
42 reconsideration, which filing shall exhaust the responsible party's
43 administrative remedies, and the department shall consider such
44 request for reconsideration and issue updated notices of cost
45 recovery demand, if applicable, in the manner contemplated by
46 subsection c. of this section.

47 e. If any updating of notices of cost recovery demand pursuant
48 to subsection d. of this section results in a new responsible party

1 that was not previously issued a cost recovery demand, such new
2 responsible party shall also be given the opportunity to file a
3 request for reconsideration in the same manner as set forth in
4 subsection d. of this section, and the process shall continue until no
5 new responsible party results from issuance of notices of cost
6 recovery demand.

7 f. If the processes in this section result in issuances of notices of
8 cost recovery demand after the applicable payment date, then the
9 applicable payment date shall be the date which is 30 days after the
10 final issuance of notices of cost recovery demand.

11
12 7. a. There is established in the Department of Environmental
13 Protection a special, nonlapsing fund to be known as the "Climate
14 Adaptation, Resiliency, and Affordability Fund." Monies in the fund
15 shall be held separately and be dedicated solely for the purpose of
16 making qualifying expenditures.

17 b. The fund shall be credited with:

18 (1) cost recovery payments distributed to the fund pursuant to
19 section 5 of this act;

20 (2) any other moneys appropriated by the Legislature or otherwise
21 made available to the fund for the purposes of this act;

22 (3) other gifts, donations, or other monies received from any
23 source, public or private, dedicated for deposit into the fund and
24 approved by the State Treasurer; and

25 (4) any interest earnings or other investment income earned or
26 received on the moneys in the fund.

27 c. All moneys appropriated or otherwise made available to the
28 fund shall be dedicated for the purposes of the fund. Pending use,
29 moneys in the fund may be invested and reinvested in the same
30 manner as other moneys of the department in the manner provided by
31 law. All earnings received from the investment or deposit of such
32 moneys shall be paid into and become a part of the fund and be
33 available for use pursuant to this act.

34 d. The department shall establish a grant program to disperse
35 funds from the Climate Adaptation, Resiliency, and Affordability
36 Fund to project sponsors of climate change adaptation and resilience
37 projects. In order to effectuate the grant program, the department
38 shall:

39 (1) establish eligibility criteria for a program grant award;

40 (2) adopt guidelines and procedures for the submission of grant
41 applications, including, but not limited to, guidelines and procedures
42 addressing the form and manner in which such applications are to be
43 submitted;

44 (3) establish criteria for the evaluation and prioritization of
45 program grant applications;

46 (4) identify the project costs that are eligible for financing through
47 the use of program grant funding, and identify the specific factors that

1 will be considered, by the department, in determining the appropriate
2 dollar amount of each grant award issued under the program; and

3 (5) identify the terms and conditions for the awarding of a program
4 grant, and for the use of program grant funds awarded, pursuant to this
5 section, including, at a minimum, conditions requiring the recipient of
6 a grant award to report relevant information, to the department,
7 regarding the recipient's expenditure of grant funds awarded thereto
8 under the program.

9 e. At least 51 percent of grant funds issued under the Climate
10 Adaptation, Resiliency, and Affordability Program shall be awarded
11 to projects that provide environmental or other benefits to
12 overburdened communities.

13

14 8. a. In considering and issuing permits, licenses, regulations,
15 contracts, and other administrative approvals and decisions necessary
16 for the implementation of projects funded in whole, or in part, through
17 the Climate Adaptation, Resiliency, and Affordability Fund, each
18 public entity shall apply the following standards:

19 (1) for any construction work, all employees of any contractors or
20 subcontractors shall be paid the prevailing wage, as determined by the
21 Commissioner of Labor and Workforce Development pursuant to
22 P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005, c.379 (C.34:11-
23 56.58 et seq.). Whenever a recipient of moneys from the Climate
24 Adaptation, Resiliency, and Affordability Fund contracts building
25 service work or operations and maintenance work to a building service
26 contractor, the contractor shall be held to the same obligations with
27 respect to prevailing wages as the recipient. The recipient shall
28 include terms establishing this obligation within any contract signed
29 with a contractor;

30 (2) any climate change adaptation project that receives at least \$5
31 million from the Climate Adaptation, Resiliency, and Affordability
32 Fund shall be developed and constructed pursuant to a project labor
33 agreement, subject to the provisions of P.L.2002, c.44 (C.52:38-1 et
34 seq.); and

35 (3) to the extent practicable, contractors and subcontractors shall
36 participate in apprenticeship programs, workforce training programs,
37 and programs that provide for the recruitment of local or
38 disadvantaged workers.

39 b. Notwithstanding any provision of this section to the contrary, all
40 rights or benefits, including terms and conditions of employment, and
41 protection of civil service and collective bargaining status of all
42 existing public employees shall be preserved and protected. Nothing
43 in this section shall result in the:

44 (1) displacement of any currently employed worker or loss of
45 position, including partial displacement such as a reduction in the
46 hours of non-overtime work, wages, or employment benefits;

47 (2) impairment of existing collective bargaining agreements;

1 (3) transfer of existing duties and functions related to maintenance
2 and operations currently performed by existing employees of
3 authorized entities to a contracting entity; or

4 (4) transfer of future duties and functions ordinarily performed by
5 employees of authorized entities to a contracting entity.
6

7 9. a. Nothing in this act shall be construed to supersede or
8 diminish in any way existing remedies available to a person or the
9 State at common law or under statute.

10 b. Nothing in this act shall be construed to preempt, displace,
11 restrict, or limit in any way any other claim or remedy available to a
12 person.

13 c. Nothing in this act shall be construed to provide the
14 Department of Environmental Protection or any other State agency
15 any additional authority to regulate greenhouse gas emissions or
16 other pollutants, or to collect any additional surcharges or fees from
17 residents or businesses, other than the cost recovery payments
18 authorized pursuant to subsection b. of section 4 of this act.

19 d. Nothing in this act shall be construed to authorize a
20 responsible party to impose a surcharge, fee, or other direct charge
21 on residential consumers or small businesses for the purpose of
22 recovering any cost recovery payment made pursuant to this act.
23

24 10. a. On or before January 1st of the second calendar year
25 following the date of enactment of this act, and annually thereafter
26 on or before September 30th, the department shall publish an
27 evaluation of the Climate Adaptation, Resiliency, and Affordability
28 Program. The purpose of the evaluation shall be to determine the
29 effectiveness of the program in achieving the purposes enumerated
30 in subsection a. of section 5 of this act. Each evaluation shall be
31 published and maintained on the department's Internet website and
32 reported to the Governor and the Legislature pursuant to section 2
33 of P.L.1991, c.164 (C.52:14-19.1).

34 b. The evaluation shall include, but not be limited to:

35 (1) a list of all responsible parties and their respective cost
36 recovery demands, as well as any changes to an entity's status as a
37 responsible party during the preceding program year;

38 (2) an accounting of all cost recovery demands made to
39 responsible parties, actual monies collected, and penalties or other
40 collection measures taken during the preceding program year;

41 (3) an accounting of all expenditures from the Climate
42 Adaptation, Resiliency, and Affordability Fund, including, at a
43 minimum, a separate accounting of:

44 (a) expenditures that benefit overburdened communities;

45 (b) expenditures used for grant programs for municipalities,
46 community organizations, or other nonprofit organizations; and

47 (c) expenditures for administrative costs;

1 (4) a review of the status of climate change adaptation projects
2 funded through the program, including the number of projects that
3 have been completed, and a description of any projects that have
4 been identified but not yet funded;

5 (5) a summary of the geographic distribution of climate change
6 adaptation projects; and

7 (6) an identification of future spending needs.

8

9 11. No later than one year after the effective date of this act, the
10 Department of Environmental Protection shall, in accordance with
11 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
12 et seq.), adopt rules and regulations to implement the provisions of
13 this act.

14

15 12. This act shall take effect immediately.