

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 421

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MARCH 2, 2023

SUMMARY

- Synopsis:** Establishes Statewide targets to reduce disposal of organic waste in landfills; requires DEP to adopt regulations to achieve targets.
- Type of Impact:** Multi-year State expenditure increase; potential multi-year local government cost and revenue increases.
- Agencies Affected:** Department of Environmental Protection; local governments.

Office of Legislative Services Estimate

Multi-Year Fiscal Impact	
State Cost Increase	Indeterminate
State Revenue Increase	Indeterminate
Potential Local Government Cost Increase	Indeterminate
Potential Local Government Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in a multi-year, indeterminate State cost increase for the Department Environmental Protection to adopt and enforce the required regulations regarding the disposal of organic waste in landfills. Further, the department will incur additional costs to prepare the report required under the bill.
- State revenues may increase over a multi-year period from penalties imposed by the department for non-compliance with the adopted regulations.
- Local governments may incur multi-year, indeterminate cost increases to comply with any department requirements that may affect them, including the imposition of their own regulations on organic waste generators. They will also incur costs to enforce any regulations they adopt.
- Local government revenues may increase from fees paid by generators of organic waste to recover any costs the local government incurs in complying with the rules and regulations adopted by the department. Local governments may also collect fines from entities for noncompliance, which will increase their revenues by an indeterminate amount.

BILL DESCRIPTION

This bill would establish Statewide targets to reduce the disposal of organic waste in landfills, and would require the Department of Environmental Protection to adopt regulations to achieve those targets.

The Statewide targets established in the bill are as follows: (1) a 50 percent reduction in the level of the Statewide disposal of organic waste from the 2016 level by January 1, 2027; and (2) a 75 percent reduction in the level of the Statewide disposal of organic waste from the 2016 level by January 1, 2032. The bill would require the department to adopt regulations to achieve these targets within 18 months after the bill's enactment. If the department does not adopt the required regulations within this time period, the Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee is to hold a joint public hearing within 30 days at which the department is to testify as to why the regulations were not adopted. These regulations are to include the goal that not less than 20 percent of excess, unused, and edible food that is currently disposed of is recovered for human consumption by 2035. The department may impose penalties for non-compliance, but only after a two-year grace period following the adoption of the requirements.

These regulations may require local governments to impose requirements on generators of organic waste or other appropriate persons or entities, and may authorize local governments to impose reasonable penalties for noncompliance.

The bill would authorize local governments to charge and collect fees from generators of organic waste and other appropriate persons or entities to recover costs the local government incurs in complying with the department's regulations. No later than July 1, 2027, the department would be required to prepare and submit a report analyzing the progress that the solid waste sector, State government, and local governments have made in achieving the organic waste reduction targets established in the bill. Nothing in the bill would prohibit a local government from adopting, implementing, and enforcing requirements regarding the reduction of organic waste that are more stringent than, or in addition to, those adopted under the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in a multi-year, indeterminate State cost increase for the department to adopt and enforce the required regulations regarding the disposal of organic waste in landfills. Further, the department will incur additional costs to prepare the report required under the bill. State revenues may increase over a multi-year period from penalties imposed by the department for non-compliance with the adopted regulations.

Local governments may incur multi-year, indeterminate cost increases to comply with any department requirements that may affect them, including the imposition of their own regulations on organic waste generators. They will also incur costs to enforce any regulations they adopt. On the other hand, local governments may see a reduction in solid waste tipping fees paid due to the reduction in the generation of organic waste under the Statewide targets required under the bill. Local government revenues may increase from fees paid by generators of organic waste to recover

any costs the local government incurs in complying with the rules and regulations adopted by the department. Local governments may also collect fines from entities for noncompliance, which will increase their revenues by an indeterminate amount. The magnitude of these fiscal impacts on local governments will be dependent on the regulatory reforms that the department will ultimately adopt, which the OLS cannot predict.

Section: Environment, Agriculture, Energy, and Natural Resources

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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.).