

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY COMMITTEE SUBSTITUTE FOR**  
**ASSEMBLY, Nos. 1960 and 2422**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: JUNE 20, 2022

**SUMMARY**

- Synopsis:** Directs certain unclaimed electric, gas, and water public utility deposits in Unclaimed Utility Deposits Trust Fund and societal charge revenues to be paid to Statewide nonprofit public utility assistance organizations meeting certain eligibility criteria.
- Type of Impact:** Reallocation of Dedicated State Revenue.
- Agencies Affected:** Board of Public Utilities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>FY 2023</u></b>	<b><u>FY 2024 and Beyond</u></b>
<b>Reallocation of Unclaimed Utility Deposits</b>	\$3.8 million	\$3.8 million
<b>Reallocation of Dedicated State Revenue</b>	\$25 million	No Impact

- The Office of Legislative Services (OLS) concludes that the bill would annually reallocate 75 percent of the deposits into the Unclaimed Utility Deposits Trust Fund from a non-profit organization selected by the State Treasurer to a non-profit organization that meets certain specific criteria. This reallocation of funds is expected to average approximately \$3.8 million per year, which monies would support the provision of electric, gas, and water utility bill payment assistance payments.
- During FY 2023, the bill would reallocate \$25 million in dedicated State revenues from Board of Public Utilities (BPU) accounts that receive funding through the Societal Benefits Charge (SBC), to the same non-profit organization that would receive monies from the Unclaimed Utility Deposits Trust Fund. These monies would also support the provision of electric, gas, and water utility bill payment assistance payments.
- The OLS assumes that the bill will not alter the rates imposed under the SBC because the BPU program accounts that are supported by the SBC are anticipated to carry year-end closing balances of greater than \$25 million into FY 2023.

## **BILL DESCRIPTION**

The bill requires unclaimed property deposits from an electric, gas, or water public utility, which monies are deposited into the State's Unclaimed Utility Deposits Trust Fund, to be paid to a Statewide nonprofit public utility assistance organization meeting certain criteria.

Within 10 months after the trust fund administrator disburses grant monies to the assistance organization, and annually thereafter, the bill requires the assistance organization to issue a report to the BPU providing the number of applicants applying for household utility assistance grants, the number of households receiving utility assistance grants, the average amount of assistance provided to households, the average gross income of households receiving assistance, the methods and procedures used for the verification of household income or hardship, and any other information the BPU requires.

The bill also provides that during FY 2023, the BPU is required to dedicate \$25 million from available balances collected through the societal benefits charge to provide grants to help pay the utility bills of households seeking temporary assistance from an assistance organization having the same qualifications as described above. Within one year after the BPU completes the disbursement of grant monies to the assistance organization, the assistance organization is required to issue a report to the BPU providing the same information as is also required in the annual report required for the receipt of payments from the trust fund.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS concludes that the bill would annually reallocate 75 percent of the deposits into the Unclaimed Utility Deposits Trust Fund deposits from a non-profit organization selected by the State Treasurer to a non-profit organization that meets certain specific criteria. Based on recent fiscal years, this annual reallocation of funds is expected to average approximately \$3.8 million per year. Under the bill, these monies would support the provision of electric, gas, and water utility bill payment assistance to ratepayers.

During FY 2023, the bill would reallocate \$25 million in dedicated State revenues from BPU accounts that receive funding through the SBC, to the same non-profit organization that would receive monies from the Unclaimed Utility Deposits Trust Fund. Under the bill, these monies would also be used to support the provision of grants to households seeking assistance with electric, gas, and water utility bills.

Absent this bill, the OLS assumes that the monies deposited into the Unclaimed Utility Deposits Trust Fund would have been used by a different non-profit organization for similar purposes, except not including the provision of water utility assistance. According to the BPU's response to an FY 2023 OLS Discussion Point, the State provided the following annual payments from the Unclaimed Utility Deposits Trust Fund to the Affordable Housing Alliance to administer the Payment Assistance for Gas and Electric Program: calendar year (CY) 2020, \$3.2 million; CY 2021, \$3.7 million; and CY 2022, \$4.0 million.

The OLS also assumes that the reallocation of \$25 million in dedicated State revenue will not alter the rates imposed under the SBC, considering that the BPU program accounts that are

supported by the SBC are anticipated to carry year-end closing balances of greater than \$25 million into FY 2023. The SBC is imposed on all electric and gas utility customers, including State and local government entities. According to the BPU's response to an FY 2023 OLS Discussion Point, the SBC raised \$813.3 million in CY 2021, of which \$600.9 million was remitted to the BPU and allocated to the Clean Energy Fund and the Universal Service Fund. The Supplementary Information section of the Governor's FY 2023 Budget, which is only available online, shows an anticipated FY 2022 year-end closing balance of \$45.1 million for the Universal Service Fund and \$300.4 million for the Clean Energy Fund.

*Section: Authorities, Utilities, Transportation, and Communications*

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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.).