

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3337

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: MARCH 3, 2023

SUMMARY

- Synopsis:

Establishes Community Hazard Assistance Mitigation Program in, and authorizes issuance of bonds by, NJ Infrastructure Bank to fund certain hazard mitigation and resilience projects; makes various changes to NJ Infrastructure Bank's enabling act; appropriates \$500,000.
- Type of Impact:

Annual State expenditure and revenue increases.
- Agencies Affected:

Office of Emergency Management in the Department of Law and Public Safety, New Jersey Infrastructure Bank, and Department of Environmental Protection.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may result in a State expenditure increase of up to \$500,000 in the first year the bill is in effect. If the full \$500,000 is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full \$500,000 is exhausted. Cost increases for ongoing administration of the Community Hazard Assistance Mitigation Program established by the bill are indeterminate.
- The OLS notes that the New Jersey Infrastructure Bank would experience increased revenues generated through administrative fees used to reimburse the Infrastructure Bank for administrative and operating expenses incurred in administering the Community Hazard Assistance Mitigation Program.

BILL DESCRIPTION

This bill would establish a Community Hazard Assistance Mitigation Program and a Community Hazard Assistance Mitigation Program Revolving Loan Fund in the New Jersey

Infrastructure Bank. The bill would also amend the New Jersey Infrastructure Trust Act to make various changes to the Infrastructure Bank's enabling law.

The bill directs the State Office of Emergency Management, in conjunction with the New Jersey Infrastructure Bank, to apply to the Federal Emergency Management Agency under the provisions of the federal Safeguarding Tomorrow through Ongoing Risk Management Act when funding is available, to enter into an agreement to capitalize the fund established by the bill. In addition, the bill authorizes the Infrastructure Bank to issue bonds for the financing of hazard mitigation and resilience projects.

The New Jersey Infrastructure Trust Act authorizes the Infrastructure Bank to issue bonds to provide funding for environmental infrastructure and transportation infrastructure projects. This bill expands the authority of the Infrastructure Bank to include the financing of hazard mitigation and resilience projects undertaken by State entities, local governments, and nonprofit organizations.

The bill includes numerous provisions concerning the priority system and ranking criteria for the hazard mitigation and resilience projects to be financed through the Community Hazard Assistance Mitigation Program established by this bill.

Finally, the bill appropriates \$500,000 from the General Fund to establish the Community Hazard Assistance Mitigation Program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill may result in a State expenditure increase of up to \$500,000 in the first year the bill is in effect. If the full \$500,000 is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full \$500,000 is exhausted. Cost increases for ongoing administration of the Community Hazard Assistance Mitigation Program are indeterminate.

The OLS determines that the State Office of Emergency Management, the Department of Environmental Protection, and the New Jersey Infrastructure Bank would experience additional administrative costs primarily related to the bill's provisions concerning the priority system and ranking criteria for the hazard mitigation and resilience projects.

The OLS notes that the New Jersey Infrastructure Bank would experience increased revenues generated through administrative fees used to reimburse the Infrastructure Bank for administrative and operating expenses incurred in administering the Community Hazard Assistance Mitigation Program.

Section: *Environment, Agriculture, Energy, and Natural Resources*

Analyst: *Neha Patel*
 Senior Fiscal Analyst

Approved: *Thomas Koenig*
 Legislative Budget and Finance Officer

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.).