

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 2319

### STATE OF NEW JERSEY 221st LEGISLATURE

DATED: MARCH 5, 2025

#### SUMMARY

- Synopsis:** Directs BPU to establish rebate program for purchase of zero-emission lawn equipment.
- Type of Impact:** Annual State expenditure increase.
- Agencies Affected:** Board of Public Utilities.

#### Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) concludes that the creation of a rebate program for the purchase of zero-emission lawn equipment will result in an indeterminate annual State expenditure increase.
- The rebate program would be funded through revenues from the societal benefits charge. The funding level for the program will depend of decisions made by the Board of Public Utilities, which the OLS cannot predict.
- The bill specifies that equipment owners will receive 25 percent or up to \$150 for each rebate, depending on the equipment price. The OLS does not have data to estimate annual purchases of zero-emission lawn equipment, nor can it predict how many purchasers would apply for a rebate.
- The board would also incur costs to advertise the availability of rebates as required by the bill.

#### BILL DESCRIPTION

This bill directs the Board of Public Utilities to create a rebate program for the purchase of zero-emission lawn equipment. Rebates would be funded through the societal benefits charge, which is administered by the board and deposited into the Clean Energy Fund. Under the bill, the

board would determine the terms of the program, including the appropriate level of funding. The board would be required to calculate the dollar amount of individual rebates based on the sales price of zero-emission lawn equipment purchased by residents and businesses. The rebate amount is to be calculated as follows:

1) for the purchase of zero-emission lawn equipment costing \$250 or less, the amount of the rebate is to equal 25 percent of the cost of the device or \$50, whichever is less;

2) for the purchase of zero-emission lawn equipment costing more than \$250, but less than \$500, the amount of the rebate is to equal 25 percent of the cost of the device or \$100, whichever is less; and

3) for the purchase of zero-emission lawn equipment costing over \$500, the amount of the rebate is to equal 25 percent of the cost of the device or \$150, whichever is less.

The board would be required to advertise the availability of incentives in the same way that it advertises incentives for the purchase of energy efficient appliances with the New Jersey Clean Energy Program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS concludes that the creation of a rebate program for the purchase of zero-emission lawn equipment will result in an indeterminate annual State expenditure increase. The rebate program would be funded through revenues from the societal benefits charge, and administered by the Board of Public Utilities. The funding level for the program will depend of decisions made by the board, which the OLS cannot predict.

This bill offers a rebate to residents and businesses for purchases of zero-emission lawn equipment, specifying that equipment owners will receive 25 percent or up to \$150 for each rebate, depending on the equipment price. Such lawn equipment typically costs between \$150 and \$500.

Outreach to lawn equipment vendors in the State established that the sales volume for each of these pieces of lawn equipment would be difficult to estimate, given the variety of items included in the bill and changes in demand for each across the year. However, legislation introduced in another state offers a point of comparison. Utah, with a population size of 3.5 million compared to New Jersey's 9.5 million, proposed S.B. 142 to create a nonrefundable income tax credit for sales of new, electric-powered lawn equipment. Similar to this bill, the Utah legislation covers a range of lawn equipment that includes chainsaws, edgers, lawn mowers, leaf blowers, leaf vacuums, trimmers, or snow blowers. Vendors would claim a nonrefundable tax credit equal to 30 percent of the purchase price for purchases of new, electric-powered lawn equipment. For reference only, the OLS notes that a fiscal note for the Utah legislation placed the estimated value of the tax credit at about \$1.6 million in one-time startup expenditures, and \$7 million in ongoing expenditures.

The board would also incur costs to advertise the availability of rebates in the same way that it advertises incentives for the purchase of energy efficient appliances with the New Jersey Clean Energy Program.

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

*Analyst: Anna Heckler  
Assistant 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.).