

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5113

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: SEPTEMBER 29, 2026

SUMMARY

Synopsis: Establishes "New Jersey Small Business Indoor Air Quality Management Support Program."

Type of Impact: Annual increase in State expenditures and revenues.

Agencies Affected: New Jersey Economic Development Authority; Department of Environmental Protection.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) expects the bill to increase State expenditures associated with the operation of the New Jersey Small Business Indoor Air Quality Management Support Program by the New Jersey Economic Development Authority. These cost increases would stem from the development and administration of the program, the provision of program loans, and the cost of any loan defaults.
- The OLS also expects the repayment of program loans to increase State revenues. These loan repayments would to some extent offset administrative expenses incurred by the authority in the operation of the program.
- The bill limits the total loans guaranteed by the authority to no more than \$1 million per fiscal year, but provides the authority with broad discretion in determining certain parameters of the loan program. Moreover, the bill does not specify the duration of the loan program nor does it provide a direct funding source for the program. The OLS is unable to quantify the fiscal impact of the program.
- The Department of Environmental Protection is also expected to incur increased expenses due to the requirement to establish and administer an elective certification program for small businesses that receive program assistance. Under this program, the department would



annually inspect the indoor air quality management of each applicant. However, these cost increases would depend on the number of businesses that apply for the certification.

BILL DESCRIPTION

This bill establishes the New Jersey Small Business Indoor Air Quality Management Support Program. The program provides loans to eligible small businesses for the improvement of indoor air quality. It will be administered by the Economic Development Authority, in consultation with the Department of Environmental Protection. The loans may be applied to any aspect of an eligible small business intended to improve the business' indoor air quality, including capital purchases, employee training, and salaries for new positions. Work performed using funds provided by the program shall be performed by an organization certified by the Testing, Adjusting and Balancing Bureau, National Environmental Balancing Bureau or the Associated Air Balance Council.

Small business loans under the bill are to bear interest at rates and terms set by the authority. Any business that has received a loan through the program may apply to the department for a New Jersey Small Business Indoor Air Quality Management Certification. A condition for the issuance of a certificate shall be the completion of a successful indoor air quality management inspection. This inspection is to be performed by a licensed contractor or licensed site remediation professional and be based on the Indoor Air Quality Management Checklist promulgated by the United States Environmental Protection Agency.

The bill limits the total amount of loans guaranteed by the authority to no more than \$1 million per State fiscal year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS expects this bill to annually increase the expenditures and revenues of the authority associated with the operation of the New Jersey Small Business Indoor Air Quality Management Support Program. Additionally, the bill would also increase the annual expenditures of the department due to the administration of an elective certification program.

Most notably, the authority is expected to incur additional expenses in establishing and administering the loan program. Under the bill, the authority is required, to the greatest extent practicable, to administer the loan program. As a result, the authority would be required to dedicate staff time and resources to creating program rules, reviewing applications, issuing loans, and verifying compliance with the terms of the loan program. Alternatively, if the authority elects to administer the program through a contracted-third party entity, the authority would instead incur expenses associated with the payment of such entity. Regardless, the repayment of program loans is expected to increase State revenues. Depending on the rate of interest approved by the authority for program loans, these loan repayments may partially or wholly offset administrative expenses incurred by the authority in the operation of the program.

The bill limits the total loans guaranteed by the authority to no more than \$1 million per fiscal year. The bill, however, provides the authority with broad discretion in establishing the parameters for the provision of program loans, including the rates of interest to be imposed on program loans and the recourse available in the event of loan defaults. Without knowing these details, the OLS is unable to predict how the program will operate and, therefore, is unable to quantify the fiscal impact of the program. Furthermore, the bill does not provide a direct source of funding to support the loan program.

In addition, the department is also expected to incur increased expenses associated with establishing and administering an elective certification program, which would issue New Jersey Small Business Indoor Air Quality Management Certifications to small businesses that receive assistance under the proposed loan program. Under the bill, the department would incur ongoing administrative costs due to the requirement to annually inspect the indoor air quality management of each applicant for certification. However, these cost increases would depend on the number of businesses that apply for the certification. Because the OLS cannot predict the number of businesses that will participate in the loan program, and the number of such businesses that will apply for the certification program, the OLS is unable to quantify the fiscal impact of the certification program.

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.).