

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 679

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 13, 2026

SUMMARY

Synopsis:	"Climate Corporate Data Accountability Act"; requires certain business entities to publicize annual greenhouse gas emissions data.
Type of Impact:	Multi-year State expenditure increase and potential multi-year State revenue increase.
Agencies Affected:	Department of Environmental Protection.

Office of Legislative Services Estimate

Fiscal Impact	
Potential Multi-Year State Revenue Increase	Indeterminate
Multi-Year State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) finds the State revenue and expenditure increases that may result from the bill to be indeterminate. This is so because: a) the emissions reporting activities required by the bill cannot be quantified at this time; b) the State’s legal ability to enforce the emissions disclosures required by bill is subject to significant uncertainty; c) the amount of the annual disclosure fee that would be set by the Department of Environmental Protection is unknown; and d) the timing and magnitude of any violations and penalty collections is also unknown.
- The State revenue gain would be from annual fee payments and penalty collections. The bill’s short-term State expenditure increases would accrue from administrative expenditures, including from the engagement of consultants to assist with scope 1 and scope 2 emissions disclosures made by reporting entities, and from any legal expenses related to defending the legislation in court.

BILL DESCRIPTION

The bill would be known as the Climate Corporate Data Accountability Act, and would require certain business entities to publicize data about their annual greenhouse gas emissions.

The bill would apply to “reporting entities,” defined by the bill to mean any partnership, corporation, limited liability company, or other business entity formed under State or federal law that has total annual revenues in excess of \$1 billion and that does business in New Jersey.

The bill would require the department, within two years after the bill’s enactment, to contract with a nonprofit emissions reporting organization to manage and publicize the reports required under the bill. Beginning three years after the bill’s enactment, reporting entities would be required to annually disclose their scope 1 and scope 2 greenhouse gas emissions to the department and the nonprofit emissions reporting organization selected by the department. Commencing four years after the bill’s enactment, reporting entities would be required to publicly disclose their scope 1 and scope 2 emissions. This public greenhouse gas emissions report would have to be accompanied by a report from an environmental consultant or other entity, with expertise and experience measuring and verifying scope 1 and scope 2 emissions, certifying the accuracy of the greenhouse gas emissions report.

Pursuant to the bill, the department would collect a fee along with each annual disclosure made by a reporting entity. The bill requires the department to set the fee in an amount sufficient to cover its full costs of administering and implementing the bill’s provisions, and the total amount of fees collected are not to exceed the department’s actual and reasonable costs. The bill would also require the department, within five years after the bill’s enactment, to contract with Rutgers University, or another academic institution in the State, to produce a report on the public disclosures required under the bill and the regulations adopted by the department pursuant to the bill’s provisions.

The bill would allow reporting entities to use reports they provide to the California state government pursuant to California’s Climate Corporate Data Accountability Act, or a Climate Risk Disclosure Survey from the National Association of Insurance Commissioners disclosing scope 1 and scope 2 emissions, to satisfy the provisions of the bill. Reporting entities that violate the bill’s provisions would be liable for civil administrative penalties of up to \$10,000 for the first offense, up to \$20,000 for the second offense, and up to \$50,000 for the third and each subsequent offense. A reporting entity could also be liable for civil penalties under the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds the State revenue and expenditure increases that may result from the bill to be indeterminate. The OLS lacks the empirical basis to determine the magnitude and timing of the State revenue and expenditure increases that may result from this bill, for the reasons outlined below.

The bill’s short-term State expenditure increases would accrue from administrative expenditures, including from the engagement of consultants to assist with scope 1 and scope 2 emissions disclosures made by reporting entities. The Department of Environmental Protection has up to two years after the bill’s enactment to contract with a nonprofit emissions reporting organization to manage and publicize the reports required under the bill. Reporting entities would be required to annually disclose their scope 1 and scope 2 greenhouse gas emissions to the department and the nonprofit emissions reporting organization by three years after the bill’s

enactment, and within four years after enactment, reporting entities would be required to publicly disclose their scope 1 and scope 2 emissions.

The emissions reporting activities required by the bill cannot be quantified at this time. For context and informational purposes only, the OLS notes that California's Air Resources Board estimated the combined expenditure impact of companion bills known as the Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Act (SB 261), both of which were enacted into law in 2023. The total annual cost upon full implementation was estimated to be \$18.2 million, including \$13.9 million for 42 permanent positions and \$4.3 million for contracting expenses. The Air Resources Board also estimated \$500,000 for the cost of representation by the California Attorney General's Office and additional anticipated legal costs.

In New Jersey, the State's short-term expenditure increases may also include legal costs. The State's ability to enforce the provisions of this bill is subject to substantial legal uncertainty with the potential for non-trivial legal costs if the State will have to defend the Climate Corporate Data Accountability Act in litigation. California's Climate Corporate Data Accountability Act is currently facing legal challenges from business and industry groups and a multinational energy corporation. It would be overly speculative for the OLS to forecast the outcomes of these lawsuits and the extent to which decisions by competent courts might bar, limit, or delay the implementation of New Jersey's Climate Corporate Data Accountability Act.

The State revenue gain would be from annual fee payments and penalty collections. The bill requires the department to collect with each annual disclosure a fee sufficient to cover its administrative and implementation costs, and prohibits total fee collections from being higher than the department's costs. The amount of the costs the department would incur and the corresponding annual disclosure fee amount are unknown. Reporting entities that violate the bill's provisions would be liable for civil administrative penalties up to maximum amounts specified in the bill and could also be liable for civil penalties under the bill. The timing and magnitude of any violations and penalty collections, however, is also unknown. Additionally, as noted above, the OLS cannot predict the extent to which litigation might bar, limit, or delay the implementation of New Jersey's Climate Corporate Data Accountability Act.

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.).