LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 1075

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 15, 2021

SUMMARY

Synopsis: Requires DEP, DOH, DCA, owners or operators of public water systems, and owners or operators of certain buildings to take certain actions to prevent and control cases of Legionnaires' disease.

Type of Impact: Annual State and local expenditure increases.

Agencies Affected: Department of Environmental Protection, Department of Health, Department of Community Affairs, certain local government units and school districts.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Expenditure Increase		Indeterminate	
Local Expenditure Increase		Indeterminate	

- The Office of Legislative Services (OLS) determines that this bill would result in an indeterminate annual expenditure increase by the State and by local government units that operate public water systems in order to satisfy the bill's requirement that public water systems maintain a certain level of free chlorine in their water supply and institute a testing regimen to verify this level. It is not known how many public water systems in the State currently meet the standard detailed in the bill or which systems have a testing regimen that would satisfy the bill's provisions.

- The bill would also result in an indeterminate annual expenditure increase by the Department of Environmental Protection (DEP) because the department is required to perform water tests and other tasks when it becomes aware of a diagnosis of Legionnaires' disease. Assuming that the cost of these tasks does not exceed $1,000 for each case and that New Jersey continues to experience around 350 cases of Legionnaires' disease each year, on the high end of the range, this expenditure increase should not exceed $350,000 annually.

- The bill would also result in an indeterminate annual expenditure increase by the State, local government units, and school districts that own or operate certain buildings, since the bill requires the implementation of a water management program for those buildings. The OLS

cannot quantify this expenditure increase because it is unclear how many buildings covered by the bill are owned or operated by the State, a local government unit, or a school district, and how many of those have already implemented water management programs that would satisfy the bill's requirements. However, large office buildings and schools are likely to have cooling towers and would thus be covered by the bill.

BILL DESCRIPTION

This bill would require the DEP, the Department of Health (DOH), the Department of Community Affairs (DCA), owners or operators of public water systems, and the owners or operators of certain types of buildings to take specified actions to help inform citizens of the State about, and prevent and control cases of, Legionnaires' disease.

The bill would require the owner or operator of a public water system to maintain a minimum detectable disinfectant residual of free chlorine of at least 0.3 milligrams per liter in all active parts of the public water system at all times and to conduct disinfectant residual testing at frequent and regular intervals to determine the amount and type of detectable disinfectant residual existing at different points in the public water system. The bill would require the owner or operator of a public water system to provide written notice to its residential, commercial, and institutional customers and to residents located in an affected area of disruptions in the water distribution system that could result in increased levels of *Legionella* bacteria being present in the public water system.

The bill would require the DOH to immediately notify the DEP of reported diagnoses of Legionnaires' disease, including addresses where the individual diagnosed with Legionnaires' disease resided, frequently visited, or was employed in the month immediately prior to the individual's diagnosis. Upon receiving this notification from the DOH, the bill would require the DEP to sample the water for the presence of *Legionella* bacteria, at all locations identified by the DOH. At the request of an individual diagnosed with Legionnaires' disease, the DEP would be required to sample and test the fixtures and water-using equipment in the individual's residence in a manner consistent with the consent provided. The DEP would conduct, or require the owner or operator of the applicable public water system to conduct, further testing to confirm the presence of *Legionella* bacteria in any source in which the bacteria is detected, as the DEP determines to be necessary.

The bill would also require the owner or operator of certain types of buildings to implement a water management program to minimize the growth and transmission of *Legionella* bacteria in the building water system.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that this bill would result in an indeterminate annual expenditure increase by the State and by local government units that operate public water systems in order to satisfy the bill's requirement that public water systems maintain a certain level of free chlorine in their water

supply and institute a testing regimen to verify this level. It is not known how many public water systems in the State currently meet the standard detailed in the bill or which systems have a testing regimen that would satisfy the bill's provisions. For those that do not currently have such a testing regimen in place, the testing would likely cost up to tens of thousands of dollars annually, depending on the size of the system. The bill would also lead to discrete expenditure increases by certain public water systems that experience disruptions that are likely to increase the growth of *Legionella* bacteria, since the bill requires such public water systems to provide written notice to its customers about the disruption.

The bill would also result in an indeterminate annual expenditure increase by the DEP, since it requires the department to perform water tests and other tasks when it becomes aware of a diagnosis of Legionnaires' disease. Assuming that the cost of these tasks does not exceed $1,000 for each case and that New Jersey continues to experience around 350 cases of Legionnaires' disease each year, on the high end of the range, this expenditure increase should not exceed $350,000 annually. The OLS also notes that the bill authorizes the DEP to require the relevant public water system, rather than the DEP, to perform some of the additional tests related to a diagnosis of Legionnaires' disease, which could potentially shift costs away from the State.

The bill would also result in an indeterminate annual expenditure increase by the State, local government units, and school districts that own or operate certain buildings, since the bill requires the implementation of a water management program for those buildings. The OLS cannot quantify this expenditure increase because it is unclear how many buildings covered by the bill are owned or operated by the State, a local government unit, or a school district, and how many of those have already implemented water management programs that would satisfy the bill's requirements. However, large office buildings and schools are likely to have cooling towers and would thus be covered by the bill.

The OLS determines that this bill would result in marginal one-time expenditure increases by the DEP, DCA, and DOH, in order to accomplish the administrative tasks required by the bill, including publishing notice requirements for public water systems and adopting rules and regulations to implement the bill. The DOH will also face costs in the administration of the public awareness campaign required pursuant to this bill.

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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.).