

ASSEMBLY STATE AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3456**

**STATE OF NEW JERSEY**

DATED: JANUARY 23, 2025

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 3456.

This bill reduces the amount of funds that counties and municipalities may divert from stormwater, water, and sewer utilities and authorities to county and municipal budgets.

Under current law, counties and municipalities may transfer available surplus revenue that was collected to fund a utility to other expenditures made by the county or municipality, in an amount up to five percent of the utility's annual operating costs. This bill would reduce the allowed transfer for stormwater, water, and sewer utilities to three percent of the utility's annual operating costs. Similarly, current law allows counties and municipalities to appropriate undesignated funds and unreserved retained earnings held by an authority that was created by the county or municipality, in an amount up to five percent of the authority's annual operating costs. This bill would reduce the allowed appropriation for water and sewer purposes to three percent of the authority's annual operating costs.

The bill also requires counties and municipalities to notify the Division of Local Government Services in the Department of Community Affairs whenever the county or municipality: (1) transfers funds from a stormwater, water, or sewer utility, or (2) appropriates funds from a water or sewer authority.