

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4815

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2024

The Assembly Telecommunications and Utilities Committee reports favorably and with committee amendments Assembly Bill No. 4815.

As amended and reported, this bill permits certain local units and authorities to reduce water, sewerage, and stormwater fees, and other charges for low-income persons. Specifically, under the bill, a local unit or authority that operates a water, sewerage, or stormwater management system may reduce the fees or other charges it collects from a person residing in its district or service area, provided that certain requirements are met.

A local unit or authority that establishes a reduction under the bill is required to adopt procedures for determining a ratepayer's eligibility for a reduction. The bill also requires a local unit or authority to advertise the availability of the reduction in the bills submitted to residents in the district or service area, or in special periodical mailings to residents in the district or service area. The bill requires an applicant seeking a reduction to provide information and documentation concerning the applicant's identity, income, household, and ownership or tenancy.

The bill provides that a local unit or authority may not offer rate reductions to low-income residents unless the local unit or authority has a sufficient amount of funds available to set aside and offset the projected loss in revenues attributable to providing for low-income reductions under the bill. The bill imposes deadlines for local units and authorities to accept applications for reductions under the bill. However, the bill allows a local unit or authority to deviate from the statutory application deadlines if the local unit or authority seeks and obtains approval from the Director of the Division of Local Government Services to fund reductions established under the bill from a specific fund. The bill requires the director to approve a local unit's or authority's application if the local unit or authority can demonstrate that, based on a rate study conducted under the bill, the reduction will not result in an unreasonable increase in average

residential rates, rents, fees, and charges or the authority having insufficient funds to maintain the integrity of its system infrastructure.

The bill requires the Local Finance Board to adopt procedures and requirements for local units and authorities to conduct rate studies necessary for them to seek approval to fund a low-income rate reduction program from a specific fund.

The bill authorizes a regional sewerage authority to increase charges in excess of the two percent statutory cap, subject to Local Finance Board approval, in order to allow for reasonable increases in fees and other charges that are necessary to compensate for reductions provided for low-income persons under the bill.

Additionally, the bill allows certain local units and authorities to enter into agreements with delinquent ratepayers for them to make full payment of their delinquent balance, plus interest and penalties, in equal monthly installments, over a period not to exceed five years in duration. The bill also authorizes certain local units and authorities to modify such agreements to allow for: temporary reductions in monthly installments; increases in the duration of agreements, not to exceed five years from the date of the original agreement; or both, for residential customers who can demonstrate that their financial circumstances have changed significantly because of factors beyond their control.

Furthermore, the bill authorizes certain local units and authorities, under conditions described in the bill, to authorize one additional agreement for payment of water, sewer, stormwater, or electric charges that became delinquent during a public health emergency or state of emergency.

As amended and reported by the committee, Assembly Bill No. 4815 is identical to Senate Bill No. 286 (1R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify that requirements in the bill apply to certain rates or schedules which provide for a reduction of the periodic rents, rates, fees, or other charges for water supply service which are charged to or collected from a person residing in the district of a local unit operating a county or municipal water supply facility;

(2) clarify that the bill permits a municipality to adopt a general or specific resolution authorizing the modification of certain existing agreements, if a residential customer can demonstrate that financial circumstances have changed significantly because of factors beyond the residential customer's control, to allow for: an increase in the duration of the agreement; a temporary reduction in the portion of monthly installments attributable to delinquent water, sewer, stormwater, and electric charges; or both;

(3) remove the bill's appropriation of \$200,000 to the Division of Local Government Services in the Department of Community Affairs, dedicated to fund the possible expenses of implementing potential rate studies;

(4) update the bill's title and synopsis; and

(5) make technical changes to the bill.