

ASSEMBLY, No. 1288

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

SYNOPSIS

Clarifies intent of P.L.2018, c.74 regarding local government utility connection fees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning certain local government utility connection fees
2 and amending P.L.2018, c.74.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.2018, c.74 (C.40:14A-8.5) is amended to
8 read as follows:

9 2. a. A sewerage authority shall provide a credit applicable
10 toward a connection or tapping fee to be charged for a reconnection
11 of a disconnected property that was previously connected to the
12 sewerage system, provided that:

13 (1) the property has been connected to the sewerage system for
14 at least 20 years; and

15 (2) service charges have been paid for the property in at least
16 one of the last five years.

17 b. The credit required under subsection a. of this section shall
18 be calculated as follows:

19 (1) If the reconnection does not require any new physical
20 connection or does not increase the nature or size of the service or
21 the number of service units, or does not expand the use of the
22 sewerage system, the credit shall be equal in amount to the new
23 connection or tapping fee.

24 (2) If the reconnection requires a new physical connection,
25 increases the nature or size of the service or the number of service
26 units, or expands the use of the sewerage system, the credit shall be
27 equal in amount to any connection or tapping fee previously paid
28 for the property, and the sewerage authority shall charge the
29 difference between the credit and the connection or tapping fee for
30 the new use or class.

31 (3) If no connection or tapping fee was ever paid for the
32 property, but all service charges due and owing on the property
33 have been paid for at least 20 years, the credit shall be equal in
34 amount to the new connection or tapping fee; provided, however,
35 that any charges due and owing pursuant to paragraph (2) of this
36 subsection shall be paid.

37 c. If no connection or tapping fee was ever paid for a
38 disconnected property that is to be reconnected and which was
39 previously connected to the sewerage system for at least 20 years
40 and all service charges due and owing on the property have not been
41 paid for at least 20 years, the sewerage authority shall charge, in
42 addition to any **[amount]** charges due and owing **[after application**
43 **of a credit]** pursuant to paragraph (2) of subsection b. of this
44 section, a connection or tapping fee equal to the lesser of:

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 (1) 20 percent of the service charges that would have been paid
2 based upon the usage for the last full year that the property was
3 connected to the sewerage system for the period from the date of
4 the disconnection from the sewerage system to the date of the new
5 connection; or

6 (2) the new connection fee.

7 d. A credit shall not be allowed under this section for a
8 property that has been disconnected from the sewerage system for
9 more than five years.

10 e. As used in this section, "disconnected property" means a
11 property that has been physically disconnected from the sewerage
12 system or a property not physically disconnected but to which
13 service has been discontinued without payments being made. A
14 "disconnected property" shall not include a property that has been
15 temporarily disconnected from the sewerage system or to which
16 service has been discontinued without payments being made for less
17 than 12 consecutive months and is being reconnected as it existed,
18 prior to the temporary disconnection or discontinuance of service.

19 (cf: P.L.2018, c.74, s.2)

20
21 2. Section 5 of P.L.2018, c.74 (C.40:14B-22.5) is amended to
22 read as follows:

23 5. a. A municipal authority shall provide a credit applicable
24 toward a connection or tapping fee to be charged for a reconnection
25 of a disconnected property that was previously connected to the
26 water or sewerage system, provided that:

27 (1) the property has been connected to the water or sewerage
28 system for at least 20 years; and

29 (2) service charges have been paid for the property in at least
30 one of the last five years.

31 b. The credit required under subsection a. of this section shall
32 be calculated as follows:

33 (1) If the reconnection does not require any new physical
34 connection or does not increase the nature or size of the service or
35 the number of service units, or does not expand the use of the water
36 or sewerage system, the credit shall be equal in amount to the new
37 connection or tapping fee.

38 (2) If the reconnection requires a new physical connection,
39 increases the nature or size of the service or the number of service
40 units, or expands the use of the water or sewerage system, the credit
41 shall be equal in amount to any connection or tapping fee
42 previously paid for the property, and the municipal authority shall
43 charge the difference between the credit and the connection or
44 tapping fee for the new use or class.

45 (3) If no connection or tapping fee was ever paid for the
46 property, but all service charges due and owing on the property
47 have been paid for at least 20 years, the credit shall be equal in
48 amount to the new connection or tapping fee; provided, however,

1 that any charges due and owing pursuant to paragraph (2) of this
2 subsection shall be paid.

3 c. If no connection or tapping fee was ever paid for a
4 disconnected property that is to be reconnected and which was
5 previously connected to the water or sewerage system for at least 20
6 years and all service charges due and owing on the property have
7 not been paid for at least 20 years, the municipal authority shall
8 charge, in addition to any **【amount】** charges due and owing **【after**
9 **application of a credit】** pursuant to paragraph (2) of subsection b. of
10 this section, a connection or tapping fee equal to the lesser of:

11 (1) 20 percent of the service charges that would have been paid
12 based upon the usage for the last full year that the property was
13 connected to the water or sewerage system for the period from the
14 date of the disconnection from the water or sewerage system to the
15 date of the new connection; or

16 (2) the new connection fee.

17 d. A credit shall not be allowed under this section for a
18 property that has been disconnected from the water or sewerage
19 system for more than five years.

20 e. As used in this section, "disconnected property" means a
21 property that has been physically disconnected from the water or
22 sewerage system or a property not physically disconnected but to
23 which service has been discontinued without payments being made.
24 A "disconnected property" shall not include a property that has been
25 temporarily disconnected from the water or sewerage system or to
26 which service has been discontinued without payments being made
27 for less than 12 consecutive months and is being reconnected as it
28 existed, prior to the temporary disconnection or discontinuance of
29 service.

30 (cf: P.L.2018, c.74, s.5)

31

32 3. Section 8 of P.L.2018, c.74 (C.40A:26A-11.2) is amended to
33 read as follows:

34 8. a. A local unit operating a county or municipal sewerage
35 facility shall provide a credit applicable toward a connection or
36 tapping fee to be charged for a reconnection of a disconnected
37 property that was previously connected to the sewerage system,
38 provided that:

39 (1) the property has been connected to the sewerage system for
40 at least 20 years; and

41 (2) service charges have been paid for the property in at least
42 one of the last five years.

43 b. The credit required under subsection a. of this section shall
44 be calculated as follows:

45 (1) If the reconnection does not require any new physical
46 connection or does not increase the nature or size of the service or
47 the number of service units, or does not expand the use of the

1 sewerage system, the credit shall be equal in amount to the new
2 connection or tapping fee.

3 (2) If the reconnection requires a new physical connection,
4 increases the nature or size of the service or the number of service
5 units, or expands the use of the sewerage system, the credit shall be
6 equal in amount to any connection or tapping fee previously paid
7 for the property, and the local unit shall charge the difference
8 between the credit and the connection or tapping fee for the new use
9 or class.

10 (3) If no connection or tapping fee was ever paid for the
11 property, but all service charges due and owing on the property
12 have been paid for at least 20 years, the credit shall be equal in
13 amount to the new connection or tapping fee; provided, however,
14 that any charges due and owing pursuant to paragraph (2) of this
15 subsection shall be paid.

16 c. If no connection or tapping fee was ever paid for a
17 disconnected property that is to be reconnected and which was
18 previously connected to the sewerage system for at least 20 years
19 and all service charges due and owing on the property have not been
20 paid for at least 20 years, the local unit shall charge, in addition to
21 any **[amount]** charges due and owing **[after application of a credit]**
22 pursuant to paragraph (2) of subsection b. of this section, a
23 connection or tapping fee equal to the lesser of:

24 (1) 20 percent of the service charges that would have been paid
25 based upon the usage for the last full year that the property was
26 connected to the sewerage system for the period from the date of
27 the disconnection from the sewerage system to the date of the new
28 connection; or

29 (2) the new connection fee.

30 d. A credit shall not be allowed under this section for a
31 property that has been disconnected from the sewerage system for
32 more than five years.

33 e. As used in this section, "disconnected property" means a
34 property that has been physically disconnected from the sewerage
35 system or a property not physically disconnected but to which
36 service has been discontinued without payments being made. A
37 "disconnected property" shall not include a property that has been
38 temporarily disconnected from the sewerage system or to which
39 service has been discontinued without payments being made for less
40 than 12 consecutive months and is being reconnected as it existed,
41 prior to the temporary disconnection or discontinuance of service.

42 (cf: P.L.2018, c.74, s.8)

43

44 4. Section 11 of P.L.2018, c.74 (C.40A:31-11.2) is amended to
45 read as follows:

46 11. a. A local unit operating a county or municipal water supply
47 facility shall provide a credit applicable toward a connection or
48 tapping fee to be charged for a reconnection of a disconnected

1 property that was previously connected to the water supply system,
2 provided that:

3 (1) the property has been connected to the water supply system
4 for at least 20 years; and

5 (2) service charges have been paid for the property in at least
6 one of the last five years.

7 b. The credit required under subsection a. of this section shall
8 be calculated as follows:

9 (1) If the reconnection does not require any new physical
10 connection or does not increase the nature or size of the service or
11 the number of service units, or does not expand the use of the water
12 supply system, the credit shall be equal in amount to the new
13 connection or tapping fee.

14 (2) If the reconnection requires a new physical connection,
15 increases the nature or size of the service or the number of service
16 units, or expands the use of the water supply system, the credit shall
17 be equal in amount to any connection or tapping fee previously paid
18 for the property, and the local unit shall charge the difference
19 between the credit and the connection or tapping fee for the new use
20 or class.

21 (3) If no connection or tapping fee was ever paid for the
22 property, but all service charges due and owing on the property
23 have been paid for at least 20 years, the credit shall be equal in
24 amount to the new connection or tapping fee; provided, however,
25 that any charges due and owing pursuant to paragraph (2) of this
26 subsection shall be paid.

27 c. If no connection or tapping fee was ever paid for a
28 disconnected property that is to be reconnected and which was
29 previously connected to the water supply system for at least 20
30 years and all service charges due and owing on the property have
31 not been paid for at least 20 years, the local unit shall charge, in
32 addition to any **【amount】** charges due and owing **【after application**
33 **of a credit】** pursuant to paragraph (2) of subsection b. of this
34 section, a connection or tapping fee equal to the lesser of:

35 (1) 20 percent of the service charges that would have been paid
36 based upon the usage for the last full year that the property was
37 connected to the water supply system for the period from the date of
38 the disconnection from the water supply system to the date of the
39 new connection; or

40 (2) the new connection fee.

41 d. A credit shall not be allowed under this section for a
42 property that has been disconnected from the water supply system
43 for more than five years.

44 e. As used in this section, "disconnected property" means a
45 property that has been physically disconnected from the water
46 supply system or a property not physically disconnected but to
47 which service has been discontinued without payments being made.
48 A "disconnected property" shall not include a property that has been

1 temporarily disconnected from the water supply system or to which
2 service has been discontinued without payments being made for less
3 than 12 consecutive months and is being reconnected as it existed,
4 prior to the temporary disconnection or discontinuance of service.
5 (cf: P.L.2018, c.74, s.11)
6

7 5. This act shall take effect immediately.
8
9

10 STATEMENT
11

12 This bill would clarify that certain local government utilities are
13 to impose connection fees if service charges due and owing on a
14 disconnected property were not paid for at least 20 years. That
15 circumstance was not expressly addressed by the recently enacted
16 P.L.2018, c.74, which authorized these local government utilities to
17 impose additional connection fees and required certain new credits
18 and reductions be applied to these fees. This bill would resolve any
19 confusion over properties in that situation by specifically providing
20 that they may be subject to connection fees.

21 The local government entities covered by the bill are: sewerage
22 authorities under the “sewerage authorities law,” P.L.1946, c.138
23 (C.40:14A-1 et seq.); municipal authorities under the “municipal
24 and county utilities authorities law,” P.L.1957, c.183 (C.40:14B-1
25 et seq.); and local units operating either a county or municipal
26 sewerage facility or water supply facility under the “Municipal and
27 County Sewerage Act,” N.J.S.40A:26A-1 et seq., and the “County
28 and Municipal Water Supply Act,” N.J.S.40A:31-1 et seq.,
29 respectively.