

ASSEMBLY, No. 2582

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

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District 14 (Mercer and Middlesex)

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District 14 (Mercer and Middlesex)

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SYNOPSIS

Requires 30-day grace period prior to accrual of interest on certain late water and sewer bill payments.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/16/2020)

1 AN ACT concerning interest deferral on certain late water and sewer
2 bill payments and amending various parts of the statutory law.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 21 of P.L.1946, c.138 (C.40:14A-21) is amended to
8 read as follows:

9 21. (a) In the event that a service charge of any sewerage
10 authority, other than an authority while operating under the regulatory
11 authority of the Board of Public Utilities, with regard to any parcel of
12 real property **【shall】** is not 【be】 paid 【as and】 when due, and remains
13 unpaid for 30 days following the established payment due date, as
14 identified on the consumer's bill or other statement of sewer service
15 usage, interest shall accrue and be due to the sewerage authority on the
16 unpaid balance at the rate of **【1 1/2 %】** one and one-half percent per
17 month until such service charge, and the interest thereon, shall be fully
18 paid to the sewerage authority.

19 (b) In the event that a service charge of any sewerage authority
20 with regard to any parcel of real property owned by any person other
21 than the State or an agency or subdivision thereof shall not be paid as
22 and when due, the unpaid balance thereof and all interest accruing
23 thereon shall be a lien on such parcel. Such lien shall be superior and
24 paramount to the interest in such parcel of any owner, lessee, tenant,
25 mortgagee or other person except the lien of municipal taxes and shall
26 be on a parity with and deemed equal to the lien on such parcel of the
27 municipality where such parcel is situate for taxes thereon due in the
28 same year and not paid when due. Such lien shall not bind or affect a
29 subsequent bona fide purchaser of such parcel for a valuable
30 consideration without actual notice of such lien, unless the sewerage
31 authority shall have filed in the office of the collector or other officer
32 of said municipality charged with the duty of enforcing municipal liens
33 on real property a statement showing the amount and due date of such
34 unpaid balance and identifying such parcel, which identification may
35 be sufficiently made by reference to the assessment map of said
36 municipality. The information shown in such statement shall be
37 included in any certificate with respect to said parcel thereafter made
38 by the official of said municipality vested with the power to make
39 official certificates of searches for municipal liens. Whenever such
40 service charge and any subsequent service charge with regard to such
41 parcel and all interest accrued thereon shall have been fully paid to the
42 sewerage authority, such statement shall be promptly withdrawn or
43 cancelled by the sewerage authority.

44 (c) In the event that a service charge of any sewerage authority
45 with regard to any parcel of real property shall not be paid as and when

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 due, the sewerage authority may, in its discretion, enter upon such
2 parcel and cause the connection thereof leading directly or indirectly to
3 the sewerage system to be cut and shut off until such service charge
4 and any subsequent service charge with regard to such parcel and all
5 interest accrued thereon shall be fully paid to the sewerage authority.

6 (d) In the event that a service charge of any sewerage authority
7 with regard to any parcel of real property shall not be paid as and when
8 due, the sewerage authority may, in accordance with section **【twenty-**
9 **six】** 26 of **【this act】** P.L.1946, c.138 (C.40:14A-26) , cause the
10 supply of water to such parcel to be stopped or restricted until such
11 service charge and any subsequent service charge with regard to such
12 parcel and all interest accrued thereon shall be fully paid to the
13 sewerage authority. If for any **【any】** reason such supply of water shall
14 not be promptly stopped or restricted as required by section **【twenty-**
15 **six】** 26 of **【this act】** P.L.1946, c.138 (C.40:14A-26) , the sewerage
16 authority may itself shut off or restrict such supply and, for that
17 purpose, may enter on any lands, waters or premises of any county,
18 municipality or other person. The supply of water to such parcel shall,
19 notwithstanding the provisions of this subsection, be restored or
20 increased if the State Department of Health, upon application of the
21 local board of health or health officer of the municipality where such
22 parcel is situate, shall after public hearing find and shall certify to the
23 sewerage authority that the continuance of such stopping or restriction
24 of the supply of water endangers the health of the public in such
25 municipality.

26 (e) The collector or other officer of every municipality charged by
27 law with the duty of enforcing municipal liens on real property shall
28 enforce, with and as any other municipal lien on real property in such
29 municipality, all service charges and the lien thereof shown in any
30 statement filed with him by any sewerage authority pursuant to
31 subsection (b) of this section, and shall pay over to the sewerage
32 authority the sums or a pro rata share of the sums realized upon such
33 enforcement or upon liquidation of any property acquired by the
34 municipality by virtue of such enforcement.

35 (f) In the event that any service charge of a sewerage authority
36 shall not be paid as and when due, the unpaid balance thereof and all
37 interest accrued thereon, together with attorney's fees and costs, may
38 be recovered by the sewerage authority in a civil action, and any lien
39 on real property for such service charge and interest accrued thereon
40 may be foreclosed or otherwise enforced by the sewerage authority by
41 action or suit in equity as for the foreclosure of a mortgage on such
42 real property.

43 (g) All rights and remedies granted by **【this act】** P.L.1946, c.138
44 (C.40:14A-1 et seq.) for the collection and enforcement of service
45 charges shall be cumulative and concurrent.

46 (cf: P.L.1981, c.530, s.1)

1 2. Section 41 of P.L.1957, c.183 (C.40:14B-41) is amended to
2 read as follows:

3 41. In the event that a service charge of any municipal authority
4 with regard to any parcel of real property shall not be paid as and
5 when due, interest shall accrue and be due to the municipal
6 authority on the unpaid balance at the rate of **【1 1/2%】** one and
7 one-half percent per month until such service charge, and the
8 interest thereon, shall be fully paid to the municipal authority. In
9 the event that a payment owed to a municipal authority, other than
10 an authority while operating under the regulatory authority of the
11 Board of Public Utilities, for the sale and supply of water to a
12 parcel of real property, or for the use of a sewerage system, is not
13 paid when due, interest shall accrue, for which the consumer shall
14 be liable, on any part of the amount that is due and payable and that
15 remains unpaid for 30 days following the established payment due
16 date, as identified on the consumer's bill or other statement of water
17 or sewage service usage.

18 (cf: P.L.1981, c.530, s.2)

19

20 3. R.S.40:62-83.1 is amended to read as follows:

21 40:62-83.1. Any municipality which, pursuant to law, furnishes
22 a supply of water and sewerage service to the inhabitants of another
23 municipality, may, if prompt payment of any water or sewer rent, or
24 charges for work done or materials furnished for such services, is
25 not made by any such inhabitant when due, discontinue the service
26 so furnished to any such inhabitant in arrears until such arrears with
27 interest and penalties shall be fully paid. In the event that a
28 payment owed for water or sewer rent is not paid when due, interest
29 shall accrue, for which the consumer, other than a consumer whose
30 receipt of water or sewer service is subject to regulation by the
31 Board of Public Utilities, shall be liable, on any part of the amount
32 that is due and payable and that remains unpaid for 30 days
33 following the established payment due date, as identified on the
34 consumer's bill or other statement of water or sewer service usage.

35 (cf: R.S.40:62-83.1)

36

37 4. R.S.40:62-107 is amended to read as follows:

38 40:62-107. The governing body of any municipality owning its
39 water and sewer systems and operating the same as one utility may
40 fix a combination water and sewer rental, and in case prompt
41 payment of **【said】** the combined rent is not made according to the
42 regulations adopted by **【said】** the governing body cause **【said】** the
43 water to be shut off from such houses, tenements, buildings or other
44 premises so supplied and not to **【turn the same】** be turned on again
45 until all arrears, with interest and penalties, shall be fully paid.
46 Interest charges, for which a consumer, other than a consumer
47 whose receipt of water or sewer service is subject to regulation by
48 the Board of Public Utilities, shall be liable under this section, shall

1 accrue on any part of the amount that is due and payable for
2 combined water and sewer rental services and that remains unpaid
3 for 30 days following the established payment due date, as
4 identified on the consumer's bill or other statement of combined
5 water and sewer service usage.

6 (cf: R.S.40:62-107)

7
8 5. R.S.40:62-107.6 is amended to read as follows:

9 40:62-107.6. a. After any municipality shall have purchased a
10 water distribution system pursuant to sections 40:62-107.4 and
11 40:62-107.5 of this title, the governing body of the municipality
12 shall be authorized to operate the water distribution system as
13 nearly as may be as a part of its own system, and any schedule of
14 rates, rents, charges and penalties which the governing body shall
15 thereafter fix shall be applicable to water users within both
16 municipalities, and in the collection of all rates, rents, charges and
17 penalties the municipality shall have all the rights and remedies that
18 may apply to private water companies supplying water to
19 municipalities of this State.

20 b. The governing body of a municipality that has purchased a
21 water distribution system shall establish a rate structure that
22 provides for uniform rates, rentals, or other service charges for
23 water supply service and fire protection systems.

24 The governing body shall not impose standby fees or charges for
25 any fire protection system to a residential customer served by a
26 water service line of two inches or less in diameter.

27 Nothing in this section shall preclude the governing body of a
28 municipality that has purchased a water distribution system from
29 requiring separate dedicated service lines for fire protection. The
30 governing body of a municipality that has purchased a water
31 distribution system may require that fire service lines be metered.
32 Nothing in this section shall alter the liability for maintenance and
33 repair of service lines which exists on the effective date of
34 P.L.2003, c.278.

35 c. In the event that a payment owed to a municipality for the
36 sale and supply of water to a consumer in the same municipality is
37 not paid when due, interest shall accrue, for which the consumer
38 shall be liable, on any part of the amount that is due and payable
39 and that remains unpaid for 30 days following the established
40 payment due date, as identified on the consumer's bill or other
41 statement of water usage.

42 (cf: P.L.2003, c.278, s.3)

43
44 6. R.S.40:62-141 is amended to read as follows:

45 40:62-141. The owner of any house, tenement, building or lot
46 shall be liable for the payment of the price or rent as fixed by the
47 commission for the use of water by **【such】** the owner or by the
48 occupier, and for the installation, purchase price, repair and testing
49 of any water meter or water meters, water service, water services,

1 connections, appliances or parts, and renewals thereof furnished or
2 made by the commission, in, upon or connecting with such house,
3 tenement, building or lot, and the interest and penalties charged. In
4 the event that a payment owed to the commission for the sale and
5 supply of water to a house, tenement, building or lot is not paid
6 when due, other than for the sale and supply of water to a house,
7 tenement, building or lot where the sale and supply of water is
8 subject to regulation by the Board of Public Utilities, interest shall
9 accrue, for which the owner shall be liable, on any part of the
10 amount that is due and payable and that remains unpaid for 30 days
11 following the established payment due date, as identified on the
12 consumer's bill or other statement of water usage.

13 The price or rent so fixed, and the other costs, expenses, interest
14 and penalties shall be a lien upon such house, tenement, building or
15 lot until the same shall be paid and satisfied, and shall be
16 enforceable by an action at law in any competent court.

17 The commission shall notify the officers or board having charge
18 of the collection of taxes in each municipality in which the
19 commission shall supply water to any of the inhabitants of such
20 municipality, that the commission is supplying water to such
21 inhabitants, and requesting said officials or board to notify all
22 persons applying for a certificate showing municipal or other liens
23 against property in such municipality, that the applicant must apply
24 to the commission to ascertain the amount of water rents or other
25 charges due to the commission, which are by law made a lien upon
26 the premises covered by the certificate.

27 The commission may require payment in advance for the use or
28 rent of water furnished by it and for any work to be done or
29 materials to be furnished.

30 (cf: R.S.40:62-141)

31

32 7. R.S.40:62-142 is amended to read as follows:

33 40:62-142. In case prompt payment of any water rent or rents, or
34 for work done or materials furnished, is not made when due, the
35 water may be shut off from such real estate, and shall not be again
36 supplied thereto until the arrears with interest and penalties shall be
37 fully paid. Interest charges applicable to overdue water rent
38 payments shall be calculated in accordance with the provisions of
39 R.S.40:62-141.

40 (cf: R.S.40:62-142)

41

42 8. This act shall take effect on the 60th day following the date
43 of enactment.

44

45

46 STATEMENT

47

48 This bill provides for the deferral of interest accrual on balances

1 that are owed, but which are not promptly paid by consumers, for
2 water and sewer services. The bill affects the accrual of interest on
3 late payments made to a number of different utility companies that
4 sell and supply water, or that provide sewerage services to
5 consumers in the State. These entities include public water and
6 sewer utilities, nonprofit water companies, county sewerage
7 authorities, and municipally-operated utilities such as municipal
8 (water or sewer) utilities authorities and municipally-owned
9 waterworks. The bill provides, in particular, and with regard to
10 each type of utility company, that when a payment for water or
11 sewer services is owed by a consumer and is not paid when due,
12 interest is to accrue on only that part of the amount that is due and
13 payable and that remains unpaid for 30 days following the
14 established payment due date, as identified on the consumer's bill
15 or other statement of water or sewer service usage.