

ASSEMBLY, No. 2846

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

SYNOPSIS

Permits certain local units and authorities to reduce water, sewer, and stormwater fees and other charges for low-income persons.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2020)

A2846 MUKHERJI, KARABINCHAK

2

1 AN ACT concerning certain water and sewerage service rates and
2 stormwater utility fees and amending and supplementing various
3 parts of the statutory law.

4

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

7

8 1. (New section) a. In addition to being authorized to establish
9 rates or schedules as provided for in section 1 of P.L.1994, c.78
10 (C.40:14A-8.2), any county or municipal sewerage authority, which
11 bills individual retail customer accounts, may, to the extent permitted
12 by federal law, annually establish within its district rates or schedules
13 which provide for a reduction of the periodic rents, rates, fees, or other
14 charges for the use or services of the sewerage system which are
15 charged to or collected from a person residing in the district, provided
16 that:

17 (1) the person is the owner or tenant of a dwelling unit in the
18 district and the person resides in the dwelling unit;

19 (2) the dwelling unit is a single-family dwelling or a dwelling unit
20 in a two-family dwelling; and

21 (3) the household income for the person who resides in the
22 dwelling unit is at or below a percentage of the most recent federal
23 poverty guidelines, which percentage shall be established by the
24 county or municipal sewerage authority.

25 b. A county or municipal sewerage authority that establishes a
26 reduction pursuant to subsection a. of this section shall adopt
27 procedures for establishing eligibility and obtaining a reduction, and
28 shall advertise the availability of the reduction in the bills submitted to
29 residents in the district for periodic rents, rates, fees, or other charges
30 for the use or services of the sewerage system, or in special periodic
31 mailings to residents in the district.

32 c. As used in this section:

33 "Dwelling unit" means a structure, or portion thereof, which serves
34 primarily as a residence for one or more persons.

35 "Household income" means the total income from all sources
36 during the last full calendar year of an owner or tenant of a dwelling
37 unit in the district and any immediate family member residing with the
38 owner or tenant.

39

40 2. (New section) a. In addition to being authorized to establish
41 rates or schedules as provided for in section 1 of
42 P.L.1992, c.215 (C.40:14B-22.2), any municipal authority, which bills
43 individual retail customer accounts, may, to the extent permitted by
44 federal law, annually establish within its district rates or schedules
45 which provide for a reduction of the periodic rents, rates, fees, or other

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 charges for the use or services of the sewerage system, the water
2 system, or both the sewerage system and the water system, which are
3 charged to or collected from a person residing in the district, provided
4 that:

5 (1) the person is the owner or tenant of a dwelling unit in the
6 district and the person resides in the dwelling unit;

7 (2) the dwelling unit is a single-family dwelling or a dwelling unit
8 in a two-family dwelling; and

9 (3) the household income for the person who resides in the
10 dwelling unit is at or below a percentage of the most recent federal
11 poverty guidelines, which percentage shall be established by the
12 municipal authority.

13 b. A municipal authority that establishes a reduction pursuant to
14 subsection a. of this section shall adopt procedures for establishing
15 eligibility and obtaining a reduction, and shall advertise the availability
16 of the reduction in the bills submitted to residents in the district for
17 periodic rents, rates, fees, or other charges for the use or services of the
18 sewerage system, the water system, or both the sewerage system and
19 the water system, or in special periodic mailings to residents in the
20 district.

21 c. As used in this section:

22 "Dwelling unit" means a structure, or portion thereof, which serves
23 primarily as a residence for one or more persons.

24 "Household income" means the total income from all sources
25 during the last full calendar year of an owner or tenant of a dwelling
26 unit in the district and any immediate family member residing with the
27 owner or tenant.

28

29 3. (New section) a. In addition to being authorized to establish
30 rates or schedules as provided for in section 5 of P.L.1994, c.78
31 (C.40A:26A-10.1), any local unit operating a county or municipal
32 sewerage facility, which bills individual retail customer accounts, may,
33 to the extent permitted by federal law, annually establish within its
34 district rates or schedules which provide for a reduction of the periodic
35 rents, rates, fees, or other charges for the use or services of the
36 sewerage system which are charged to or collected from a person
37 residing in the district, provided that:

38 (1) the person is the owner or tenant of a dwelling unit in the
39 district and the person resides in the dwelling unit;

40 (2) the dwelling unit is a single-family dwelling or a dwelling unit
41 in a two-family dwelling; and

42 (3) the household income for the person who resides in the
43 dwelling unit is at or below a percentage of the most recent federal
44 poverty guidelines, which percentage shall be established by the local
45 unit operating a county or municipal sewerage facility.

46 b. A local unit operating a county or municipal sewerage facility
47 that establishes a reduction pursuant to subsection a. of this section
48 shall adopt procedures for establishing eligibility and obtaining a

1 reduction, and shall advertise the availability of the reduction in the
2 bills submitted to residents in the district for periodic rents, rates, fees,
3 or other charges for the use or services of the sewerage system, or in
4 special periodic mailings to residents in the district.

5 c. As used in this section:

6 “Dwelling unit” means a structure, or portion thereof, which serves
7 primarily as a residence for one or more persons.

8 “Household income” means the total income from all sources
9 during the last full calendar year of an owner or tenant of a dwelling
10 unit in the district and any immediate family member residing with the
11 owner or tenant.

12

13 4. (New section) a. In addition to being authorized to establish
14 rates or schedules as provided for in section 7 of P.L.1994, c.78
15 (C.40A:31-10.1), a local unit operating a county or municipal water
16 supply facility, which bills individual retail customer accounts, may, to
17 the extent permitted by federal law, annually establish within its
18 district rates or schedules which provide for a reduction of the periodic
19 rents, rates, or other charges for water supply service which are
20 charged to or collected from a person residing in the district, provided
21 that:

22 (1) the person is the owner or tenant of a dwelling unit in the
23 district and the person resides in the dwelling unit;

24 (2) the dwelling unit is a single-family dwelling or a dwelling unit
25 in a two-family dwelling; and

26 (3) the household income for the person who resides in the
27 dwelling unit is at or below a percentage of the most recent federal
28 poverty guidelines, which percentage shall be established by the local
29 unit operating a county or municipal water supply facility.

30 b. A local unit operating a county or municipal water supply
31 facility that establishes a reduction pursuant to subsection a. of this
32 section shall adopt procedures for establishing eligibility and obtaining
33 a reduction, and shall advertise the availability of the reduction in the
34 bills submitted to residents in the district for periodic rents, rates, or
35 other charges for water supply service, or in special periodic mailings
36 to residents in the district.

37 c. As used in this section:

38 “Dwelling unit” means a structure, or portion thereof, which serves
39 primarily as a residence for one or more persons.

40 “Household income” means the total income from all sources
41 during the last full calendar year of an owner or tenant of a dwelling
42 unit in the district and any immediate family member residing with the
43 owner or tenant.

44

45 5. (New section) a. In addition to being authorized to establish
46 fees and other charges as provided in section 8 of P.L.2019, c.42
47 (C.40A:26B-8), any county, municipality, or authority that establishes
48 a stormwater utility may, to the extent permitted by federal law,

1 provide for a reduction in the fees and other charges it collects from a
2 person residing in the stormwater utility's service area, provided that:

3 (1) the person is the owner or tenant of a dwelling unit in the
4 stormwater utility's service area and the person resides in the dwelling
5 unit;

6 (2) the dwelling unit is a single-family dwelling or a dwelling unit
7 in a two-family dwelling; and

8 (3) the household income for the person who resides in the
9 dwelling unit is at or below a percentage of the most recent federal
10 poverty guidelines, which percentage shall be established by the
11 county, municipality, or authority.

12 b. A county, municipality, or authority that establishes a reduction
13 in fees and other charges pursuant to subsection a. of this section shall
14 adopt procedures for establishing eligibility and obtaining a reduction,
15 and shall advertise the availability of the reduction in the bills
16 submitted to residents in the stormwater utility's service area for fees
17 and other charges for stormwater management, or in special periodic
18 mailings to residents in the stormwater utility's service area.

19 c. As used in this section:

20 "Dwelling unit" means a structure, or portion thereof, which serves
21 primarily as a residence for one or more persons.

22 "Household income" means the total income from all sources
23 during the last full calendar year of an owner or tenant of a dwelling
24 unit in the district and any immediate family member residing with the
25 owner or tenant.

26

27 6. Section 1 of P.L.2017, c.290 (C.40:14A-4.2) is amended to
28 read as follows:

29 1. a. Notwithstanding the provisions of any other law to the
30 contrary, the budget of a regional sewerage authority that was created
31 pursuant to the provisions of P.L.1946, c.138 (C.40:14A-1 et seq.), and
32 that is located in a county of the first class with a population of over
33 600,000 and a population density of over 10,000 persons per square
34 mile according to the latest federal decennial census shall be subject to
35 the following provisions:

36 (1) (a) The percentage of growth in the fee-funded appropriations
37 in the annual budget of a regional sewerage authority shall not exceed
38 two percent per year; and the amount billed to customers of the
39 authority, or the amount billed to a local unit for its proportional share
40 of the authority's expenses, as the case may be, shall not exceed that
41 amount billed in the previous budget year to each customer or local
42 unit, as the case may be, by more than two percent for a similar
43 amount of use or service of the sewerage system.

44 (b) A regional sewerage authority may add to the allowable growth
45 in fee-funded appropriations in any one of the next three succeeding
46 years, the amount of the difference between the maximum allowable
47 increase in fee-funded appropriations for the current budget year

1 pursuant to subparagraph (a) of this paragraph and the actual amount
2 of fee-funded appropriations for the current budget year.

3 (2) The percentage of growth in the fee-funded appropriations in
4 the annual budget of a regional sewerage authority shall be determined
5 without consideration of any amounts appropriated by the authority
6 for:

7 (a) capital expenditures, including payment of principal or interest
8 on bonds authorized or issued pursuant to the "sewerage authorities
9 law," P.L.1946, c.138 (C.40:14A-1 et seq.);

10 (b) increases in pension contributions and accrued liability for
11 pension contributions in excess of two percent over those expenditures
12 for the previous budget year;

13 (c) increases in health care costs equal to that portion of the actual
14 increase in total health costs for the budget year that is in excess of two
15 percent of total health care costs in the previous budget year, but is not
16 in excess of the product of the total health care costs in the prior year
17 and the average percentage increase of the State Health Benefits
18 Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually
19 determined by the Division of Pensions and Benefits in the
20 Department of the Treasury;

21 (d) increases in energy cost expenditures in excess of two percent
22 over those expenditures for the previous budget year;

23 (e) extraordinary costs that are directly related to an emergency;

24 (f) expenditures for the cost of services mandated by any order of
25 court, by any federal or State statute, or by administrative rule,
26 directive, order, permit, or other legally binding device issued by a
27 State agency which identified the cost as a mandated expenditure on
28 certification to the Local Finance Board by the State agency; and

29 (g) costs associated with the establishment of a stormwater utility
30 pursuant to P.L.2019, c.42 (C.40A:26B-1 et al.) or for any of the
31 purposes authorized in subsection e. of section 8 of P.L.2019, c.42
32 (C.40A:26B-8).

33 (3) Notwithstanding the limitations imposed by paragraph (1) of
34 this subsection, a regional sewerage authority may apply to the Local
35 Finance Board for a waiver to increase its rents, rates, fees, and
36 charges to levels sufficient to:

37 (a) compensate for loss of revenues due to reductions in the use or
38 service of the sewerage system; or

39 (b) allow for reasonable increases in rents, rates, fees, or other
40 charges that are necessary to compensate for reductions provided
41 pursuant to section 1 of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 (4) Notwithstanding the limitations imposed by paragraph (1) of
44 this subsection, the percentage of growth in the increase of the rents,
45 rates, fees, and charges of a regional sewerage authority shall be
46 determined without consideration of any amounts required to be raised
47 for the purposes set forth in subparagraph (g) of paragraph (2) of this
48 subsection.

1 As used in this section, "emergency" shall mean any purpose
2 which is not foreseen at the time of the adoption of the annual budget,
3 or for which adequate provision was not made therein, to meet a
4 pressing need for public expenditure to protect or promote the public
5 health, safety, morals, or welfare.

6 b. After the budget of a regional sewerage authority that is subject
7 to the provisions of subsection a. of this section has been approved by
8 the members of the regional sewerage authority, the budget shall be
9 forwarded to the Director of the Division of Local Government
10 Services for review and approval.

11 The director shall review the budget to ensure that the budget
12 conforms with the requirements of subsection a. of this section and the
13 "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1
14 et seq.), and that the budgeted expenditures are reasonable in cost and
15 necessary for the performance of the regional sewerage authority.

16 If the director determines that the budget meets the requirements of
17 this subsection, the director shall approve the budget. If the director
18 does not approve the budget, the director shall return the budget to the
19 members of the regional sewerage authority with written information
20 concerning the reasons for the disapproval of the budget.

21 To the extent that the provisions of subsection a. of this section
22 conflict with the provisions of the "Local Authorities Fiscal Control
23 Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), subsection a. of this
24 section shall take precedence.

25 (cf: P.L.2019, c.42, s.19)

26
27 7. Section 8 of P.L.1946, c.138 (C.40:14A-8) is amended to
28 read as follows:

29 8. (a) Every sewerage authority is hereby authorized to
30 charge and collect rents, rates, fees or other charges (in this act
31 sometimes referred to as "service charges") for direct or indirect
32 connection with, or the use or services of, the sewerage system.
33 Such service charges may be charged to and collected from any
34 person contracting for such connection or use or services or from
35 the owner or occupant, or both of them, of any real property which
36 directly or indirectly is or has been connected with the system or
37 from or on which originates or has originated sewage or other
38 wastes which directly or indirectly have entered or may enter the
39 sewerage system, and the owner of any such real property shall be
40 liable for and shall pay such service charges to the sewerage
41 authority at the time when and the place where such service charges
42 are due and payable.

43 (b) Rents, rates, fees and charges, which may be payable
44 periodically, being in the nature of use or service charges, shall as
45 nearly as the sewerage authority shall deem practicable and
46 equitable be uniform throughout the district for the same type, class
47 and amount of use or service of the sewerage system, except as
48 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2) or section

1 1 of P.L. c. (C.) (pending before the Legislature as this
2 bill), and may be based or computed either on the consumption of
3 water on or in connection with the real property, making due
4 allowance for commercial use of water, or on the number and kind
5 of water outlets on or in connection with the real property, or on the
6 number and kind of plumbing or sewerage fixtures or facilities on
7 or in connection with the real property, or on the number of persons
8 residing or working on or otherwise connected or identified with the
9 real property, or on the capacity of the improvements on or
10 connected with the real property, or on any other factors
11 determining the type, class and amount of use or service of the
12 sewerage system, or on any combination of any such factors, and
13 may give weight to the characteristics of the sewage and other
14 wastes and any other special matter affecting the cost of treatment
15 and disposal thereof, including chlorine demand, biochemical
16 oxygen demand, concentration of solids and chemical composition.
17 In addition to any such periodic service charges, a separate charge
18 in the nature of a connection fee or tapping fee, in respect of each
19 connection of any property with the sewerage system, may be
20 imposed upon the owner or occupant of the property so connected.
21 Such connection charges shall be uniform within each class of
22 users, except as provided by section 2 of P.L.2005, c.29 (C.40:14A-
23 8.30) and except as provided by section 2 of P.L.2005, c.173
24 (C.40:14A-8.4), and the amount thereof shall not exceed the actual
25 cost of the physical connection, if made by the authority, plus an
26 amount computed in the following manner to represent a fair
27 payment toward the cost of the system:

28 (1) The amount representing all debt service, including but not
29 limited to sinking funds, reserve funds, the principal and interest on
30 bonds, and the amount of any loans and interest thereon, paid by the
31 sewerage authority to defray the capital cost of developing the
32 system as of the end of the immediately preceding fiscal year of the
33 authority shall be added to all capital expenditures made by the
34 authority not funded by a bond ordinance or debt for the
35 development of the system as of the end of the immediately
36 preceding fiscal year of the authority.

37 (2) Any gifts, contributions or subsidies to the authority
38 received from, and not reimbursed or reimbursable to any federal,
39 State, county or municipal government or agency or any private
40 person, and that portion of amounts paid to the authority by a public
41 entity under a service agreement or service contract which is not
42 repaid to the public entity by the authority, shall then be subtracted.

43 (3) The remainder shall be divided by the total number of
44 service units served by the authority at the end of the immediately
45 preceding fiscal year of the authority, and the results shall then be
46 apportioned to each new connector according to the number of
47 service units attributed to that connector, to produce the connector's
48 contribution to the cost of the system. In attributing service units to

1 each connector, the estimated average daily flow of sewage for the
2 connector shall be divided by the average daily flow of sewage for
3 the average single family residence in the authority's district to
4 produce the number of service units to be attributed.

5 The connection fee shall be recomputed at the end of each fiscal
6 year of the authority, after a public hearing is held in the manner
7 prescribed in subsection (c) of this section. The revised connection
8 fee may be imposed upon those who subsequently connect in that
9 fiscal year to the system. The combination of such connection fee
10 or tapping fee and the aforesaid periodic service charges shall meet
11 the requirements of subsection (c) hereof.

12 (c) The sewerage authority shall prescribe and from time to time
13 when necessary revise a schedule of service charges, which shall
14 comply with the terms of any contract of the sewerage authority and
15 in any event shall be such that the revenues of the sewerage
16 authority will at all times be adequate to pay all expenses of
17 operation and maintenance of the sewerage system, including
18 reserves, insurance, extensions, and replacements, and to pay
19 punctually the principal of and interest on any bonds and to
20 maintain such reserves or sinking funds therefor as may be required
21 by the terms of any contract of the sewerage authority or as may be
22 deemed necessary or desirable by the sewerage authority. Said
23 schedule shall thus be prescribed and from time to time revised by
24 the sewerage authority after public hearing thereon which shall be
25 held by the sewerage authority at least 20 days after notice of the
26 proposed adjustment is mailed to the clerk of each municipality
27 serviced by the authority and publication of notice of the proposed
28 adjustment of the service charges and of the time and place of the
29 public hearing in at least two newspapers of general circulation in
30 the area serviced by the authority. The sewerage authority shall
31 provide evidence at the hearing showing that the proposed
32 adjustment of the service charges is necessary and reasonable, and
33 shall provide the opportunity for cross-examination of persons
34 offering such evidence, and a transcript of the hearing shall be made
35 and a copy thereof shall be available upon request to any interested
36 party at a reasonable fee. The sewerage authority shall likewise fix
37 and determine the time or times when and the place or places where
38 such service charges shall be due and payable and may require that
39 such service charges shall be paid in advance for periods of not
40 more than one year. A copy of such schedule of service charges in
41 effect shall at all times be kept on file at the principal office of the
42 sewerage authority and shall at all reasonable times be open to
43 public inspection.

44 (d) Any county sewerage authority may establish sewerage
45 regions in portions of the district. Rents, rates, fees and charges
46 which may be payable periodically, being in the nature of use or
47 service charges, shall as nearly as the sewerage authority shall deem
48 practicable and equitable, be uniform throughout the district for the

1 same type, class and amount of use or service of the sewerage
2 systems, except as permitted by section 1 of
3 P.L.1994, c.78 (C.40:14A-8.2), and shall meet all other
4 requirements of subsection (b) hereof.
5 (cf: P.L.2005, c.173, s.1)

6
7 8. Section 21 of P.L.1957, c.183 (C.40:14B-21) is amended to
8 read as follows:

9 21. a. Every municipal authority is hereby authorized to charge
10 and collect rents, rates, fees or other charges (in this act sometimes
11 referred to as "water service charges") for direct or indirect
12 connection with, or the use, products or services of, the water
13 system, or for sale of water or water supply services, water supply
14 facilities or products. Such water service charges may be charged
15 to and collected from any person contracting for such connection or
16 use, products or services or for such sale or from the owner or
17 occupant, or both of them, of any real property which directly or
18 indirectly is or has been connected with the water system or to
19 which directly or indirectly has been supplied or furnished such use,
20 products or services of the water system or water or water supply
21 services, water supply facilities or products, and the owner of any
22 such real property shall be liable for and shall pay such water
23 service charges to the municipal authority at the time when and
24 place where such water service charges are due and payable. Such
25 rents, rates, fees and charges shall as nearly as the municipal
26 authority shall deem practicable and equitable be uniform
27 throughout the district for the same type, class and amount of use,
28 products or services of the water system, except as permitted by
29 section 1 of P.L.1992, c.215 (C.40:14B-22.2) or section 2 of
30 P.L. c. (C.) (pending before the Legislature as this bill),
31 and may be based or computed either on the consumption of water
32 on or in connection with the real property, or on the number and
33 kind of water outlets on or in connection with the real property, or
34 on the number and kind of plumbing fixtures or facilities on or in
35 connection with the real property, or on the number of persons
36 residing or working on or otherwise connected or identified with the
37 real property, or on the capacity of the improvements on or
38 connected with the real property, or on any other factors
39 determining the type, class and amount of use, products or services
40 of the water system supplied or furnished, or on any combination of
41 such factors, and may give weight to the characteristics of the water
42 or water services, facilities or products and, as to service outside the
43 district, any other matter affecting the cost of supplying or
44 furnishing the same, including the cost of installation of necessary
45 physical properties.

46 Every municipal authority that furnishes water supply services or
47 operates water supply facilities shall establish a rate structure that

1 provides for uniform water service charges for water supply service
2 and fire protection systems.

3 No municipal authority may impose standby fees or charges for
4 any fire protection system to a residential customer served by a
5 water service line of two inches or less in diameter.

6 Nothing in this section shall preclude a municipal authority from
7 requiring separate dedicated service lines for fire protection. A
8 municipal authority may require that fire service lines be metered.
9 Nothing in this section shall alter the liability for maintenance and
10 repair of service lines which exists on the effective date of
11 P.L.2003, c.278.

12 b. In addition to any such water service charges, a separate
13 charge in the nature of a connection fee or tapping fee, in respect of
14 each connection of any property with the water system, may be
15 imposed upon the owner or occupant of the property so connected.
16 Such connection charges shall be uniform within each class of
17 users, except as provided by section 5 of P.L.2005, c.29 (C.40:14B-
18 22.3) and except as provided by section 5 of P.L.2005, c.173
19 (C.40:14B-22.4), and the amount thereof shall not exceed the actual
20 cost of the physical connection, if made by the authority, plus an
21 amount computed in the following manner to represent a fair
22 payment toward the cost of the system:

23 (1) The amount representing all debt service, including but not
24 limited to sinking funds, reserve funds, the principal and interest on
25 bonds, and the amount of any loans and interest thereon, paid by a
26 municipal authority to defray the capital cost of developing the
27 system as of the end of the immediately preceding fiscal year of the
28 authority shall be added to all capital expenditures made by the
29 authority not funded by a bond ordinance or debt for the
30 development of the system as of the end of the immediately
31 preceding fiscal year of the authority.

32 (2) Any gifts, contributions or subsidies to the authority
33 received from, and not reimbursed or reimbursable to any federal,
34 State, county or municipal government or agency or any private
35 person, and that portion of amounts paid to the authority by a public
36 entity under a service agreement or service contract which is not
37 repaid to the public entity by the authority, shall then be subtracted.

38 (3) The remainder shall be divided by the total number of
39 service units served by the authority at the end of the immediately
40 preceding fiscal year of the authority, and the results shall then be
41 apportioned to each new connector according to the number of
42 service units attributed to that connector, to produce the connector's
43 contribution to the cost of the system. In attributing service units to
44 each connector, the estimated average daily flow of water for the
45 connector shall be divided by the average daily flow of water to the
46 average single family residence in the authority's district, to
47 produce the number of service units to be attributed.

1 c. The connection fee shall be recomputed at the end of each
2 fiscal year of the authority, after a public hearing is held in the
3 manner prescribed in section 23 of P.L.1957, c.183 (C.40:14B-23).
4 The revised connection fee may be imposed upon those who
5 subsequently connect in that fiscal year to the system. The
6 combination of such connection fee or tapping fee and the aforesaid
7 water service charges all meet the requirements of section 23 of
8 P.L.1957, c.183 (C.40:14B-23).

9 d. The foregoing notwithstanding, no municipal authority shall
10 impose any charges or fees in excess of the cost of water actually
11 used for any sprinkler system required to be installed in any
12 residential health care facility pursuant to the "Health Care
13 Facilities Planning Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and
14 regulations promulgated thereunder or in any rooming or boarding
15 house pursuant to the "Rooming and Boarding House Act of 1979,"
16 P.L.1979, c.496 (C.55:13B-1 et al.) and regulations promulgated
17 thereunder. Nothing herein shall preclude any municipal authority
18 from charging for the actual cost of water main connections, except
19 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and
20 except as provided by section 5 of P.L.2005, c.173 (C.40:14B-
21 22.4).

22 (cf: P.L.2005, c.173, s.3)

23
24 9. N.J.S.40A:26A-10 is amended to read as follows:

25 40A:26A-10. After the commencement of operation of
26 sewerage facilities, the local unit or units may prescribe and, from
27 time to time, alter rates or rentals to be charged to users of sewerage
28 services. Rates or rentals being in the nature of use or service
29 charges or annual rental charges, shall be uniform and equitable for
30 the same types and classes of use and service of the facilities,
31 except as permitted by section 5 of P.L.1994, c.78 (C.40A:26A-
32 10.1) or section 3 of P.L. c. (C.) (pending before the
33 Legislature as this bill). Rates or rentals and types and classes of
34 use and service may be based on any factors which the governing
35 body or bodies of that local unit or units shall deem proper and
36 equitable within the region served.

37 In fixing rates, rental and other charges for supplying sewerage
38 services, the local unit or units shall establish a rate structure that
39 allows, within the limits of any lawful covenants made with
40 bondholders, the local unit to:

41 a. Recover all costs of acquisition, construction or operation,
42 including the costs of raw materials, administration, real or personal
43 property, maintenance, taxes, debt service charges, fees and an
44 amount equal to any operating budget deficit occurring in the
45 immediately preceding fiscal year;

46 b. Establish a surplus in an amount sufficient to provide for the
47 reasonable anticipation of any contingency that may affect the
48 operating of the sewerage facility, and, at the discretion of the local

1 unit or units, allow for the transfer of moneys from the budget for
2 the sewerage facilities to the local budget in accordance with
3 section 5 of P.L.1983, c.111 (C.40A:4-35.1).
4 (cf: P.L.1994, c.78, s.6)

5

6 10. N.J.S.40A:31-10 is amended to read as follows:

7 40A:31-10. a. After the commencement of operation of water
8 supply facilities, the local unit or units may prescribe and, from
9 time to time, alter rates or rentals to be charged to users of water
10 supply services. Rates or rentals being in the nature of use or
11 service charges or annual rental charges, shall be uniform and
12 equitable for the same type and class of use or service of the
13 facilities, except as permitted by section 7 of P.L.1994, c.78
14 (C.40A:31-10.1) or section 4 of P.L. c. (C.) (pending
15 before the Legislature as this bill). Rates or rentals and types and
16 classes of use and service may be based on any factors which the
17 governing body or bodies of that local unit or units shall deem
18 proper and equitable within the region served.

19 b. Every local unit operating a municipal water supply facility
20 shall establish a rate structure that provides for uniform rates,
21 rentals, or other charges for water supply service and fire protection
22 systems.

23 No local unit may impose standby fees or charges for any fire
24 protection system to a residential customer served by a water
25 service line of two inches or less in diameter.

26 c. In fixing rates, rental and other charges for supplying water
27 services, the local unit or units shall establish a rate structure that
28 allows, within the limits of any lawful covenants made with
29 bondholders, the local unit to:

30 (1) Recover all costs of acquisition, construction or operation,
31 including the costs of raw materials, administration, real or personal
32 property, maintenance, taxes, debt service charges, fees and an
33 amount equal to any operating budget deficit occurring in the
34 immediately preceding fiscal year;

35 (2) Establish a surplus in an amount sufficient to provide for the
36 reasonable anticipation of any contingency that may affect the
37 operation of the utility, and, at the discretion of the local unit or
38 units, allow for the transfer of moneys from the budget for the water
39 supply facilities to the local budget in accordance with section 5 of
40 P.L.1983, c.111 (C.40A:4-35.1).

41 d. No local unit or units shall impose any rates or rentals in
42 excess of the cost of water actually used for any sprinkler system
43 required to be installed in any residential health care facility
44 pursuant to the "Health Care Facilities Planning Act," P.L.1971,
45 c.136 (C.26:2H-1 et seq.) and regulations promulgated thereunder
46 or in any rooming or boarding house pursuant to the "Rooming and
47 Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et al.)
48 and regulations promulgated thereunder.

1 e. Nothing in this section shall preclude a local unit operating a
2 municipal water supply facility from requiring separate dedicated
3 service lines for fire protection. The local unit may require that fire
4 service lines be metered. Nothing in this section shall alter the
5 liability for maintenance and repair of service lines which exists on
6 the effective date of P.L.2003, c.278.
7 (cf: P.L.2003, c.278, s.7)

8
9 11. Section 8 of P.L.2019, c.42 (C.40A:26B-8) is amended to read
10 as follows:

11 8. a. Any county, municipality, or authority that establishes a
12 stormwater utility pursuant to P.L.2019, c.42 (C.40A:26B-1 et al.) may
13 charge and collect reasonable fees and other charges to recover the
14 stormwater utility's costs for stormwater management. These fees and
15 other charges may be charged to and collected from the owner or
16 occupant, or both, of any real property from which originates
17 stormwater runoff which directly or indirectly enters the stormwater
18 management system or the waters of the State. The owner of any such
19 real property shall be liable for and shall pay such fees and charges to
20 the stormwater utility at the time when and place where the fees and
21 charges are due and payable.

22 b. **【Any】** Except as provided in section 5 of P.L. c. (C.)
23 (pending before the Legislature as this bill), any fee or other charge
24 that a county, municipality, or authority charges and collects pursuant
25 to this section shall be based on a fair and equitable approximation of
26 the proportionate contribution of stormwater runoff from a real
27 property.

28 c. In establishing fees and other charges pursuant to this section, a
29 county, municipality, or authority shall provide for:

30 (1) a partial fee reduction in the form of a credit for any property
31 that maintains and operates a stormwater management system that
32 complies with the State and local stormwater management standards
33 that were in place at the time the system was approved and that
34 effectively reduces, retains, or treats stormwater onsite;

35 (2) an additional partial fee reduction in the form of a credit for
36 any property which has installed and is operating and maintaining
37 current stormwater best management practices that reduce, retain, or
38 treat stormwater onsite and which are approved by the county,
39 municipality, or authority;

40 (3) an additional partial fee reduction in the form of a credit for
41 any property which has installed and is operating and maintaining
42 green infrastructure that reduces, retains, or treats stormwater onsite
43 and which exceeds any requirements for green infrastructure that may
44 be applicable to that property under any rule or regulation adopted by
45 the Department of Environmental Protection or the local stormwater
46 control ordinance; and

47 (4) an exemption from fees and other charges for land actively
48 devoted to agricultural or horticultural use that is valued, assessed, and

1 taxed pursuant to the "Farmland Assessment Act of 1964," P.L.1964,
2 c.48 (C.54:4-23.1 et seq.).

3 d. Any county, municipality, or authority that collects fees and
4 charges pursuant to this section shall remit to the State Treasurer
5 annually an amount equal to five percent of all such fees and charges
6 collected, or \$50,000, whichever amount is less. The State Treasurer
7 shall deposit these moneys into the "Clean Stormwater and Flood
8 Reduction Fund" established pursuant to section 17 of P.L.2019, c.42
9 (C.40A:26B-17).

10 e. Except as provided in section 5 of P.L.1983, c.111 (C.40A:4-
11 35.1) or section 1 of P.L.2004, c.87 (C.40A:5A-12.1), as applicable, a
12 county, municipality, or authority shall only use fees and other charges
13 collected pursuant to this section to pay for or recover all or a portion
14 of the cost of the following:

15 (1) initial establishment of a stormwater utility pursuant to
16 P.L.2019, c.42 (C.40A:26B-1 et al.) and ongoing related
17 administrative expenses;

18 (2) capital expenditures, including planning, design, engineering,
19 acquisition, construction, and improvement of a stormwater
20 management system;

21 (3) operation and maintenance expenditures of a stormwater
22 management system;

23 (4) development and implementation of an asset management
24 program for a stormwater management system;

25 (5) development and implementation of a stormwater management
26 plan and stormwater control ordinances pursuant to section 1 of
27 P.L.1981, c.32 (C.40:55D-93);

28 (6) any action required pursuant to any New Jersey Pollutant
29 Discharge Elimination System permit;

30 (7) development and implementation of any long-term control plan
31 to mitigate combined sewer overflows pursuant to State or federal law,
32 rule, regulation, permit, or consent decree;

33 (8) monitoring, inspection, and enforcement activities to carry out
34 the purposes of P.L.2019, c.42 (C.40A:26B-1 et al.);

35 (9) public education and outreach related to stormwater
36 management; and

37 (10) any other purpose related to stormwater management as may
38 be authorized by the department, the Division of Local Government
39 Services in the Department of Community Affairs, or the Local
40 Finance Board pursuant to rules, regulations, or permits.

41 f. In establishing fees and other charges and appropriate credits
42 pursuant to this section, a county, municipality, or authority shall
43 consult the guidance manual developed pursuant to section 16 of
44 P.L.2019, c.42 (C.40A:26B-16), and other best practice guidance
45 manuals published by industry organizations.

46 (cf: P.L.2019, c.42, s.8)

1 12. This act shall take effect immediately, but any rate reduction
2 shall remain inoperative until the first day of the fourth month next
3 following the date of enactment.
4

5

6

STATEMENT

7

8 This bill permits certain local units and authorities to reduce water,
9 sewerage, and stormwater fees, and other charges for low-income
10 persons.

11 Specifically, under the bill, a local unit or authority that operates a
12 water, sewerage, or stormwater management system will be permitted
13 to reduce the fees or other charges it collects from a person residing in
14 its district or service area, provided that:

15 (1) the person is the owner or tenant of a dwelling unit in the
16 district or service area and the person resides in the dwelling unit;

17 (2) the dwelling unit is a single-family dwelling or a dwelling unit
18 in a two-family dwelling; and

19 (3) the household income for the person who resides in the
20 dwelling unit is at or below a percentage of the most recent federal
21 poverty guidelines, which percentage will be established by the local
22 unit or authority.

23 A local unit or authority that establishes a reduction under the bill
24 will be required to adopt procedures for establishing eligibility and
25 obtaining a reduction, and advertise the availability of the reduction in
26 the bills submitted to residents in the district or service area, or in
27 special periodical mailings to residents in the district or service area.

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