

[First Reprint]

ASSEMBLY, No. 2846

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

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District 33 (Hudson)

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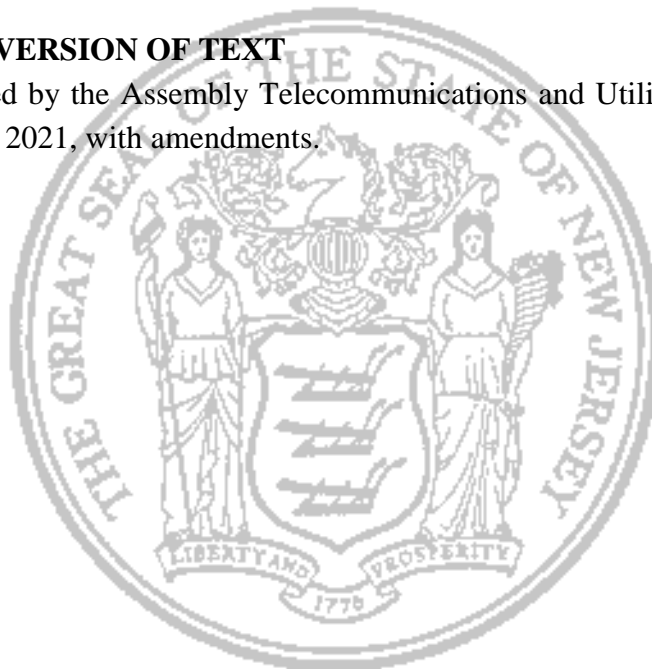
Assemblywoman Chaparro

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 reported by the Assembly Telecommunications and Utilities Committee on March 15, 2021, with amendments.



(Sponsorship Updated As Of: 11/8/2021)

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
12 permitted by federal law, annually establish within its district rates
13 or schedules which provide for a reduction of the periodic rents,
14 rates, fees, or other charges for the use or services of the sewerage
15 system which are charged to or collected from a person residing in
16 the district, provided 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
20 unit 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,
28 and shall advertise the availability of the reduction in the bills
29 submitted to residents in the district for periodic rents, rates, fees,
30 or other charges for the use or services of the sewerage system, or
31 in special periodic mailings to residents in the district.

32 c. ¹The provisions of this section shall apply only if a county
33 or municipal sewerage authority determines that, with regard to its
34 annual budget, there is available an undesignated fund balance or
35 there exists a sufficient amount of unreserved retained earnings set
36 aside and designated to offset the projected loss in revenues that
37 may be attributable to providing a reduction permitted pursuant to
38 subsection a. of this section.

39 d.¹ As used in this section:

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

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATU committee amendments adopted March 15, 2021.

1 2. (New section) a. In addition to being authorized to establish
2 rates or schedules as provided for in section 1 of
3 P.L.1992, c.215 (C.40:14B-22.2), any municipal authority, which
4 bills individual retail customer accounts, may, to the extent
5 permitted by federal law, annually establish within its district rates
6 or schedules which provide for a reduction of the periodic rents,
7 rates, fees, or other charges for the use or services of the sewerage
8 system, the water system, or both the sewerage system and the
9 water system, which are charged to or collected from a person
10 residing in the district, provided that:

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

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

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

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

27 c. ¹The provisions of subsections a. and b. of this section shall
28 apply only if a municipal authority determines that, with regard to
29 its annual budget, there is available an undesignated fund balance or
30 there exists a sufficient amount of unreserved retained earnings set
31 aside and designated to offset the projected loss in revenues that
32 may be attributable to providing a reduction permitted pursuant to
33 subsection a. of this section.

34 d.¹ As used in this section:

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

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

41

42 3. (New section) a. In addition to being authorized to establish
43 rates or schedules as provided for in section 5 of P.L.1994, c.78
44 (C.40A:26A-10.1), any local unit operating a county or municipal
45 sewerage facility, which bills individual retail customer accounts,
46 may, to the extent permitted by federal law, annually establish
47 within its district rates or schedules which provide for a reduction
48 of the periodic rents, rates, fees, or other charges for the use or

1 services of the sewerage system which are charged to or collected
2 from a person residing in the district, provided that:

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

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

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

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

19 c. ¹The provisions of subsections a. and b. of this section shall
20 apply only if a local unit operating a county or municipal sewerage
21 facility determines that, with regard to its annual budget, there is
22 available an undesignated fund balance or there exists a sufficient
23 amount of unreserved retained earnings set aside and designated to
24 offset the projected loss in revenues that may be attributable to
25 providing a reduction permitted pursuant to subsection a. of this
26 section.

27 d.¹ As used in this section:

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

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

34

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

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

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

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

5 b. A local unit operating a county or municipal water supply
6 facility that establishes a reduction pursuant to subsection a. of this
7 section shall adopt procedures for establishing eligibility and
8 obtaining a reduction, and shall advertise the availability of the
9 reduction in the bills submitted to residents in the district for
10 periodic rents, rates, or other charges for water supply service, or in
11 special periodic mailings to residents in the district.

12 c. ¹The provisions of subsections a. and b. of this section shall
13 apply only if a local unit operating a county or municipal water
14 supply facility determines that, with regard to its annual budget,
15 there is available an undesignated fund balance or there exists a
16 sufficient amount of unreserved retained earnings set aside and
17 designated to offset the projected loss in revenues that may be
18 attributable to providing a reduction permitted pursuant to
19 subsection a. of this section.

20 d.¹ As used in this section:

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

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

27
28 5. (New section) a. In addition to being authorized to establish
29 fees and other charges as provided in section 8 of P.L.2019, c.42
30 (C.40A:26B-8), any county, municipality, or authority that
31 establishes a stormwater utility may, to the extent permitted by
32 federal law, provide for a reduction in the fees and other charges it
33 collects from a person residing in the stormwater utility’s service
34 area, provided that:

35 (1) the person is the owner or tenant of a dwelling unit in the
36 stormwater utility’s service area and the person resides in the
37 dwelling unit;

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

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

44 b. A county, municipality, or authority that establishes a
45 reduction in fees and other charges pursuant to subsection a. of this
46 section shall adopt procedures for establishing eligibility and
47 obtaining a reduction, and shall advertise the availability of the
48 reduction in the bills submitted to residents in the stormwater

1 utility's service area for fees and other charges for stormwater
2 management, or in special periodic mailings to residents in the
3 stormwater utility's service area.

4 c. ¹The provisions of subsections a. and b. of this section shall
5 apply only if a county, municipality, or authority that establishes a
6 stormwater utility determines that, with regard to its annual budget,
7 there is available an undesignated fund balance or there exists a
8 sufficient amount of unreserved retained earnings set aside and
9 designated to offset the projected loss in revenues that may be
10 attributable to providing a reduction permitted pursuant to
11 subsection a. of this section.

12 d.¹ As used in this section:

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

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

19

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

22 1. a. Notwithstanding the provisions of any other law to the
23 contrary, the budget of a regional sewerage authority that was created
24 pursuant to the provisions of P.L.1946, c.138 (C.40:14A-1 et seq.), and
25 that is located in a county of the first class with a population of over
26 600,000 and a population density of over 10,000 persons per square
27 mile according to the latest federal decennial census shall be subject to
28 the following provisions:

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

37 (b) A regional sewerage authority may add to the allowable growth
38 in fee-funded appropriations in any one of the next three succeeding
39 years, the amount of the difference between the maximum allowable
40 increase in fee-funded appropriations for the current budget year
41 pursuant to subparagraph (a) of this paragraph and the actual amount
42 of fee-funded appropriations for the current budget year.

43 (2) The percentage of growth in the fee-funded appropriations in
44 the annual budget of a regional sewerage authority shall be determined
45 without consideration of any amounts appropriated by the authority
46 for:

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

4 (b) increases in pension contributions and accrued liability for
5 pension contributions in excess of two percent over those expenditures
6 for the previous budget year;

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

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

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

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

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

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

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

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

37 (4) Notwithstanding the limitations imposed by paragraph (1) of
38 this subsection, the percentage of growth in the increase of the rents,
39 rates, fees, and charges of a regional sewerage authority shall be
40 determined without consideration of any amounts required to be raised
41 for the purposes set forth in subparagraph (g) of paragraph (2) of this
42 subsection.

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

1 b. After the budget of a regional sewerage authority that is subject
2 to the provisions of subsection a. of this section has been approved by
3 the members of the regional sewerage authority, the budget shall be
4 forwarded to the Director of the Division of Local Government
5 Services for review and approval.

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

11 If the director determines that the budget meets the requirements of
12 this subsection, the director shall approve the budget. If the director
13 does not approve the budget, the director shall return the budget to the
14 members of the regional sewerage authority with written information
15 concerning the reasons for the disapproval of the budget.

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

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

21

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

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

38 (b) Rents, rates, fees and charges, which may be payable
39 periodically, being in the nature of use or service charges, shall as
40 nearly as the sewerage authority shall deem practicable and
41 equitable be uniform throughout the district for the same type, class
42 and amount of use or service of the sewerage system, except as
43 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2) or section
44 1 of P.L. c. (C.) (pending before the Legislature as this
45 bill), and may be based or computed either on the consumption of
46 water on or in connection with the real property, making due
47 allowance for commercial use of water, or on the number and kind
48 of water outlets on or in connection with the real property, or on the

1 number and kind of plumbing or sewerage fixtures or facilities on
2 or in connection with the real property, or on the number of persons
3 residing or working on or otherwise connected or identified with the
4 real property, or on the capacity of the improvements on or
5 connected with the real property, or on any other factors
6 determining the type, class and amount of use or service of the
7 sewerage system, or on any combination of any such factors, and
8 may give weight to the characteristics of the sewage and other
9 wastes and any other special matter affecting the cost of treatment
10 and disposal thereof, including chlorine demand, biochemical
11 oxygen demand, concentration of solids and chemical composition.
12 In addition to any such periodic service charges, a separate charge
13 in the nature of a connection fee or tapping fee, in respect of each
14 connection of any property with the sewerage 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 2 of P.L.2005, c.29 (C.40:14A-
18 8.30) and except as provided by section 2 of P.L.2005, c.173
19 (C.40:14A-8.4), 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 the
26 sewerage 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 sewage for the
45 connector shall be divided by the average daily flow of sewage for
46 the average single family residence in the authority's district to
47 produce the number of service units to be attributed.

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

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

40 (d) Any county sewerage authority may establish sewerage
41 regions in portions of the district. Rents, rates, fees and charges
42 which may be payable periodically, being in the nature of use or
43 service charges, shall as nearly as the sewerage authority shall deem
44 practicable and equitable, be uniform throughout the district for the
45 same type, class and amount of use or service of the sewerage
46 systems, except as permitted by section 1 of

1 P.L.1994, c.78 (C.40:14A-8.2), and shall meet all other
2 requirements of subsection (b) hereof.

3 (cf: P.L.2005, c.173, s.1)

4

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

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

44 Every municipal authority that furnishes water supply services or
45 operates water supply facilities shall establish a rate structure that
46 provides for uniform water service charges for water supply service
47 and fire protection systems.

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

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

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

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

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

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

46 c. The connection fee shall be recomputed at the end of each
47 fiscal year of the authority, after a public hearing is held in the
48 manner prescribed in section 23 of P.L.1957, c.183 (C.40:14B-23).

1 The revised connection fee may be imposed upon those who
2 subsequently connect in that fiscal year to the system. The
3 combination of such connection fee or tapping fee and the aforesaid
4 water service charges all meet the requirements of section 23 of
5 P.L.1957, c.183 (C.40:14B-23).

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

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

20

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

22 40A:26A-10. After the commencement of operation of
23 sewerage facilities, the local unit or units may prescribe and, from
24 time to time, alter rates or rentals to be charged to users of sewerage
25 services. Rates or rentals being in the nature of use or service
26 charges or annual rental charges, shall be uniform and equitable for
27 the same types and classes of use and service of the facilities,
28 except as permitted by section 5 of P.L.1994, c.78 (C.40A:26A-
29 10.1) or section 3 of P.L. c. (C.) (pending before the
30 Legislature as this bill). Rates or rentals and types and classes of
31 use and service may be based on any factors which the governing
32 body or bodies of that local unit or units shall deem proper and
33 equitable within the region served.

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

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

43 b. Establish a surplus in an amount sufficient to provide for the
44 reasonable anticipation of any contingency that may affect the
45 operating of the sewerage facility, and, at the discretion of the local
46 unit or units, allow for the transfer of moneys from the budget for

1 the sewerage facilities to the local budget in accordance with
2 section 5 of P.L.1983, c.111 (C.40A:4-35.1).

3 (cf: P.L.1994, c.78, s.6)

4

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

6 40A:31-10. a. After the commencement of operation of water
7 supply facilities, the local unit or units may prescribe and, from
8 time to time, alter rates or rentals to be charged to users of water
9 supply services. Rates or rentals being in the nature of use or
10 service charges or annual rental charges, shall be uniform and
11 equitable for the same type and class of use or service of the
12 facilities, except as permitted by section 7 of P.L.1994, c.78
13 (C.40A:31-10.1) or section 4 of P.L. c. (C.) (pending
14 before the Legislature as this bill). Rates or rentals and types and
15 classes of use and service may be based on any factors which the
16 governing body or bodies of that local unit or units shall deem
17 proper and equitable within the region served.

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

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

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

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

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

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