

ASSEMBLY SPECIAL COMMITTEE ON INFRASTRUCTURE
AND NATURAL RESOURCES

STATEMENT TO

ASSEMBLY, No. 5015

STATE OF NEW JERSEY

DATED: DECEMBER 10, 2020

The Assembly Special Committee on Infrastructure and Natural Resources reports favorably Assembly Bill No. 5015.

This bill would reduce the amount of funds that counties and municipalities may divert from stormwater, water, and sewer utilities and authorities to county and municipal budgets.

Under current law, municipalities may transfer available surplus revenue that was collected to fund a utility to other expenditures made by the municipality, in an amount up to five percent of the utility's annual operating costs. This bill would reduce the allowed transfer for stormwater, water, and sewer utilities to three percent of the utility's annual operating costs. Similarly, current law allows counties and municipalities to appropriate undesignated funds and unreserved retained earnings held by an authority that was created by the county or municipality, in an amount up to five percent of the authority's annual operating costs. This bill would reduce the allowed appropriation for water and sewer purposes to three percent of the authority's annual operating costs.

This bill would also require counties and municipalities to notify the Division of Local Government Services in the Department of Community Affairs whenever the county or municipality: (1) transfers funds from a stormwater, water, or sewer utility, or (2) appropriates funds from a water or sewer authority.