

SENATE, No. 653

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Requires municipalities to provide certain information to property owners served by municipal water systems.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** requiring municipalities to provide information to property
2 owners served by municipal water systems and amending
3 R.S.40:62-101 and R.S.40:62-106.

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

7
8 1. R.S.40:62-101 is amended to read as follows:

9 40:62-101. a. Except as provided in subsection b. of this
10 section, the cost of the creation and establishment of such water
11 district or districts and the installation and construction of such
12 water systems shall be assessed against the real estate benefited
13 thereby in proportion to and not in excess of the benefits conferred,
14 and such assessments shall bear interest and penalties from the
15 same time and at the same rate as assessments for local
16 improvements in the district or districts where they are imposed,
17 and from the date of confirmation shall be a first and paramount
18 lien upon the real estate assessed to the same extent, and be
19 enforced and collected in the same manner, as assessments for local
20 improvements.

21 No assessments shall be invalid by reason of failure to receive
22 notice or any other infirmity.

23 b. Real estate in the water district shall be exempt from the
24 assessment authorized by subsection a. of this section if:

25 (1) The water supplied by the water district is not reasonably
26 available to the owner of the property; and

27 (2) Prior to each assessment, the governing body of the
28 municipality where the water district is located determines that the
29 exemption would not adversely affect the ability of the municipality
30 to meet the principal reduction and interest payments on
31 outstanding bonds issued by the municipality for the creation and
32 establishment of the water district and installation and construction
33 of the water system.

34 The governing body of the municipality shall provide to the
35 property owner of each parcel of real property that is served by the
36 water district or districts, written terms and conditions of receiving
37 services from the water district or districts. The written terms and
38 conditions shall be a separate document from any municipal
39 ordinance, but may specify or refer to the ordinance in its text.

40 The written terms and conditions shall include, but shall not be
41 limited to, the financial responsibility of the property owner for
42 payment of services from the water district or districts, and the level
43 of responsibility of the water district or districts, and the property
44 owner, for the maintenance, repair, or installation of new or existing

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 service lines, or any other physical connection to the real property
2 for receiving services from the water district or districts.

3 The written terms and conditions shall be posted on the
4 municipality's website, if one exists, and shall also be mailed to
5 each property owner annually, together with the first billing
6 statement of the year. Thereafter, when a property changes
7 ownership, the written terms and conditions shall be mailed to the
8 new owner or owners within 45 days of the date of the change in
9 ownership.

10 (cf: P.L.1985, c.191, s.1)

11
12 2. R.S.40:62-106 is amended to read as follows:

13 40:62-106. Any municipality owning its water and sewer
14 systems and operating the same as separate utilities may by
15 ordinance consolidate said water and sewer systems and operate the
16 same as one utility and under one head or body.

17 The governing body of the municipality shall provide to the
18 property owner of each parcel of real property that is served by the
19 utility, written terms and conditions of receiving services from the
20 utility. The written terms and conditions shall be a separate
21 document from any municipal ordinance, but may specify or refer
22 to the ordinance in its text.

23 The written terms and conditions shall include, but shall not be
24 limited to, the financial responsibility of the property owner for
25 payment of services from the utility, and the level of responsibility
26 of the utility, and the property owner, for the maintenance, repair,
27 or installation of new or existing service lines, or any other physical
28 connection to the real property for receiving services from the
29 utility.

30 The written terms and conditions shall be posted on the
31 municipality's website, if one exists, and shall also be mailed to
32 each property owner annually, together with the first billing
33 statement of the year. Thereafter, when a property changes
34 ownership, the written terms and conditions shall be mailed to the
35 new owner or owners within 45 days of the date of the change in
36 ownership.

37 (cf: R.S.40:62-106)

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39 3. This act shall take effect immediately.
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42 STATEMENT

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44 This bill would require municipalities providing water services
45 to property owners through either a water district or a municipal
46 water or sewer utility, or water and sewer utility, to provide each
47 property owner with written terms and conditions of receiving
48 services from the water district or utility. The written terms and

1 conditions shall include, but shall not be limited to, the financial
2 responsibility of the property owner for payment of services from
3 the water district or utility, and the level of responsibility of the
4 water district or utility, and the property owner, for the
5 maintenance, repair, or installation of new or existing service lines,
6 or any other physical connection to the real property for receiving
7 services from the water district or utility.

8 The bill requires that the written terms and conditions be posted
9 on the municipality's website, if one exists, and also be mailed to
10 each property owner annually, together with the first billing
11 statement of the year. Thereafter, when a property changes
12 ownership, the written terms and conditions are to be mailed to the
13 new owner or owners within 45 days of the date of the change in
14 ownership.

15 The purpose of this bill is to provide transparency for property
16 owners in their dealings with water districts and municipal utilities.
17 In many cases, property owners are presented with substantial bills
18 for repairs to leaky pipes that connect their properties to these water
19 systems and are not aware of their financial responsibility for these
20 repairs. This bill is intended to rectify this problem through the
21 requirement that all property owners be advised of the terms and
22 conditions of receiving services from these municipal entities, and
23 the financial responsibilities attendant to the receipt of these
24 services.