

SENATE, No. 1457

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator BRIAN P. STACK
District 33 (Hudson)

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.



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. As used in this section:

33 “Dwelling unit” means a structure, or portion thereof, which
34 serves 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
38 the 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
43 bills individual retail customer accounts, may, to the extent
44 permitted by federal law, annually establish within its district rates
45 or schedules which provide for a reduction of the periodic rents,

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 rates, fees, or other charges for the use or services of the sewerage
2 system, the water system, or both the sewerage system and the
3 water system, which are charged to or collected from a person
4 residing in the district, provided 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
8 unit 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
14 to subsection a. of this section shall adopt procedures for
15 establishing eligibility and obtaining a reduction, and shall advertise
16 the availability of the reduction in the bills submitted to residents in
17 the district for periodic rents, rates, fees, or other charges for the
18 use or services of the sewerage system, the water system, or both
19 the sewerage system and the water system, or in special periodic
20 mailings to residents in the district.

21 c. As used in this section:

22 “Dwelling unit” means a structure, or portion thereof, which
23 serves 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
27 the 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,
33 may, to the extent permitted by federal law, annually establish
34 within its district rates or schedules which provide for a reduction
35 of the periodic rents, rates, fees, or other charges for the use or
36 services of the sewerage system which are charged to or collected
37 from a person 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
41 unit 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
45 local unit operating a county or municipal sewerage facility.

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

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

6 c. As used in this section:

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

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

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

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

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

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

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

38 c. As used in this section:

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

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

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

1 establishes a stormwater utility may, to the extent permitted by
2 federal law, provide for a reduction in the fees and other charges it
3 collects from a person residing in the stormwater utility's service
4 area, provided that:

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

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

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

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

22 c. As used in this section:

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

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

29

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

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

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

1 (b) A regional sewerage authority may add to the allowable
2 growth in fee-funded appropriations in any one of the next three
3 succeeding years, the amount of the difference between the
4 maximum allowable increase in fee-funded appropriations for the
5 current budget year pursuant to subparagraph (a) of this paragraph
6 and the actual amount of fee-funded appropriations for the current
7 budget year.

8 (2) The percentage of growth in the fee-funded appropriations in
9 the annual budget of a regional sewerage authority shall be
10 determined without consideration of any amounts appropriated by
11 the authority for:

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

15 (b) increases in pension contributions and accrued liability for
16 pension contributions in excess of two percent over those
17 expenditures for the previous budget year;

18 (c) increases in health care costs equal to that portion of the
19 actual increase in total health costs for the budget year that is in
20 excess of two percent of total health care costs in the previous
21 budget year, but is not in excess of the product of the total health
22 care costs in the prior year and the average percentage increase of
23 the State Health Benefits Program, P.L.1961, c.49 (C.52:14-
24 17.25 et seq.), as annually determined by the Division of Pensions
25 and Benefits in the Department of the Treasury;

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

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

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

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

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

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

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

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

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

12 b. After the budget of a regional sewerage authority that is
13 subject to the provisions of subsection a. of this section has been
14 approved by the members of the regional sewerage authority, the
15 budget shall be forwarded to the Director of the Division of Local
16 Government Services for review and approval.

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

23 If the director determines that the budget meets the requirements
24 of this subsection, the director shall approve the budget. If the
25 director does not approve the budget, the director shall return the
26 budget to the members of the regional sewerage authority with
27 written information concerning the reasons for the disapproval of
28 the budget.

29 To the extent that the provisions of subsection a. of this section
30 conflict with the provisions of the "Local Authorities Fiscal Control
31 Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), subsection a. of this
32 section shall take precedence.
33 (cf: P.L.2019, c.42, s.19)
34

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

37 8. (a) Every sewerage authority is hereby authorized to charge
38 and collect rents, rates, fees or other charges (in this act sometimes
39 referred to as "service charges") for direct or indirect connection
40 with, or the use or services of, the sewerage system. Such service
41 charges may be charged to and collected from any person
42 contracting for such connection or use or services or from the owner
43 or occupant, or both of them, of any real property which directly or
44 indirectly is or has been connected with the system or from or on
45 which originates or has originated sewage or other wastes which
46 directly or indirectly have entered or may enter the sewerage
47 system, and the owner of any such real property shall be liable for
48 and shall pay such service charges to the sewerage authority at the

1 time when and the place where such service charges are due and
2 payable.

3 (b) Rents, rates, fees and charges, which may be payable
4 periodically, being in the nature of use or service charges, shall as
5 nearly as the sewerage authority shall deem practicable and
6 equitable be uniform throughout the district for the same type, class
7 and amount of use or service of the sewerage system, except as
8 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2) or section
9 1 of P.L. c. (C.) (pending before the Legislature as this
10 bill), and may be based or computed either on the consumption of
11 water on or in connection with the real property, making due
12 allowance for commercial use of water, or on the number and kind
13 of water outlets on or in connection with the real property, or on the
14 number and kind of plumbing or sewerage fixtures or facilities on
15 or in connection with the real property, or on the number of persons
16 residing or working on or otherwise connected or identified with the
17 real property, or on the capacity of the improvements on or
18 connected with the real property, or on any other factors
19 determining the type, class and amount of use or service of the
20 sewerage system, or on any combination of any such factors, and
21 may give weight to the characteristics of the sewage and other
22 wastes and any other special matter affecting the cost of treatment
23 and disposal thereof, including chlorine demand, biochemical
24 oxygen demand, concentration of solids and chemical composition.
25 In addition to any such periodic service charges, a separate charge
26 in the nature of a connection fee or tapping fee, in respect of each
27 connection of any property with the sewerage system, may be
28 imposed upon the owner or occupant of the property so connected.
29 Such connection charges shall be uniform within each class of
30 users, except as provided by section 2 of P.L.2005, c.29 (C.40:14A-
31 8.30) and except as provided by section 2 of P.L.2005, c.173
32 (C.40:14A-8.4), and the amount thereof shall not exceed the actual
33 cost of the physical connection, if made by the authority, plus an
34 amount computed in the following manner to represent a fair
35 payment toward the cost of the system:

36 (1) The amount representing all debt service, including but not
37 limited to sinking funds, reserve funds, the principal and interest on
38 bonds, and the amount of any loans and interest thereon, paid by the
39 sewerage authority to defray the capital cost of developing the
40 system as of the end of the immediately preceding fiscal year of the
41 authority shall be added to all capital expenditures made by the
42 authority not funded by a bond ordinance or debt for the
43 development of the system as of the end of the immediately
44 preceding fiscal year of the authority.

45 (2) Any gifts, contributions or subsidies to the authority
46 received from, and not reimbursed or reimbursable to any federal,
47 State, county or municipal government or agency or any private
48 person, and that portion of amounts paid to the authority by a public

1 entity under a service agreement or service contract which is not
2 repaid to the public entity by the authority, shall then be subtracted.

3 (3) The remainder shall be divided by the total number of
4 service units served by the authority at the end of the immediately
5 preceding fiscal year of the authority, and the results shall then be
6 apportioned to each new connector according to the number of
7 service units attributed to that connector, to produce the connector's
8 contribution to the cost of the system. In attributing service units to
9 each connector, the estimated average daily flow of sewage for the
10 connector shall be divided by the average daily flow of sewage for
11 the average single family residence in the authority's district to
12 produce the number of service units to be attributed.

13 The connection fee shall be recomputed at the end of each fiscal
14 year of the authority, after a public hearing is held in the manner
15 prescribed in subsection (c) of this section. The revised connection
16 fee may be imposed upon those who subsequently connect in that
17 fiscal year to the system. The combination of such connection fee
18 or tapping fee and the aforesaid periodic service charges shall meet
19 the requirements of subsection (c) hereof.

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

1 effect shall at all times be kept on file at the principal office of the
2 sewerage authority and shall at all reasonable times be open to
3 public inspection.

4 (d) Any county sewerage authority may establish sewerage
5 regions in portions of the district. Rents, rates, fees and charges
6 which may be payable periodically, being in the nature of use or
7 service charges, shall as nearly as the sewerage authority shall deem
8 practicable and equitable, be uniform throughout the district for the
9 same type, class and amount of use or service of the sewerage
10 systems, except as permitted by section 1 of P.L.1994, c.78
11 (C.40:14A-8.2), and shall meet all other requirements of subsection
12 (b) hereof.
13 (cf: P.L.2005, c.173, s.1)

14

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

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

1 such factors, and may give weight to the characteristics of the water
2 or water services, facilities or products and, as to service outside the
3 district, any other matter affecting the cost of supplying or
4 furnishing the same, including the cost of installation of necessary
5 physical properties.

6 Every municipal authority that furnishes water supply services or
7 operates water supply facilities shall establish a rate structure that
8 provides for uniform water service charges for water supply service
9 and fire protection systems.

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

13 Nothing in this section shall preclude a municipal authority from
14 requiring separate dedicated service lines for fire protection. A
15 municipal authority may require that fire service lines be metered.
16 Nothing in this section shall alter the liability for maintenance and
17 repair of service lines which exists on the effective date of
18 P.L.2003, c.278.

19 b. In addition to any such water service charges, a separate
20 charge in the nature of a connection fee or tapping fee, in respect of
21 each connection of any property with the water system, may be
22 imposed upon the owner or occupant of the property so connected.
23 Such connection charges shall be uniform within each class of
24 users, except as provided by section 5 of P.L.2005, c.29 (C.40:14B-
25 22.3) and except as provided by section 5 of P.L.2005, c.173
26 (C.40:14B-22.4), and the amount thereof shall not exceed the actual
27 cost of the physical connection, if made by the authority, plus an
28 amount computed in the following manner to represent a fair
29 payment toward the cost of the system:

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

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

45 (3) The remainder shall be divided by the total number of
46 service units served by the authority at the end of the immediately
47 preceding fiscal year of the authority, and the results shall then be
48 apportioned to each new connector according to the number of

1 service units attributed to that connector, to produce the connector's
2 contribution to the cost of the system. In attributing service units to
3 each connector, the estimated average daily flow of water for the
4 connector shall be divided by the average daily flow of water to the
5 average single family residence in the authority's district, to
6 produce the number of service units to be attributed.

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

15 d. The foregoing notwithstanding, no municipal authority shall
16 impose any charges or fees in excess of the cost of water actually
17 used for any sprinkler system required to be installed in any
18 residential health care facility pursuant to the "Health Care
19 Facilities Planning Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and
20 regulations promulgated thereunder or in any rooming or boarding
21 house pursuant to the "Rooming and Boarding House Act of 1979,"
22 P.L.1979, c.496 (C.55:13B-1 et al.) and regulations promulgated
23 thereunder. Nothing herein shall preclude any municipal authority
24 from charging for the actual cost of water main connections, except
25 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and
26 except as provided by section 5 of P.L.2005, c.173 (C.40:14B-
27 22.4).

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

29
30 9. N.J.S.40A:26A-10 is amended to read as follows:

31 40A:26A-10. After the commencement of operation of sewerage
32 facilities, the local unit or units may prescribe and, from time to
33 time, alter rates or rentals to be charged to users of sewerage
34 services. Rates or rentals being in the nature of use or service
35 charges or annual rental charges, shall be uniform and equitable for
36 the same types and classes of use and service of the facilities,
37 except as permitted by section 5 of P.L.1994, c.78 (C.40A:26A-
38 10.1) or section 3 of P.L. c. (C.) (pending before the
39 Legislature as this bill). Rates or rentals and types and classes of
40 use and service may be based on any factors which the governing
41 body or bodies of that local unit or units shall deem proper and
42 equitable within the region served.

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

47 a. Recover all costs of acquisition, construction or operation,
48 including the costs of raw materials, administration, real or personal

1 property, maintenance, taxes, debt service charges, fees and an
2 amount equal to any operating budget deficit occurring in the
3 immediately preceding fiscal year;

4 b. Establish a surplus in an amount sufficient to provide for the
5 reasonable anticipation of any contingency that may affect the
6 operating of the sewerage facility, and, at the discretion of the local
7 unit or units, allow for the transfer of moneys from the budget for
8 the sewerage facilities to the local budget in accordance with
9 section 5 of P.L.1983, c.111 (C.40A:4-35.1).
10 (cf: P.L.1994, c.78, s.6)

11

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

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

25 b. Every local unit operating a municipal water supply facility
26 shall establish a rate structure that provides for uniform rates,
27 rentals, or other charges for water supply service and fire protection
28 systems.

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

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

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

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

47 d. No local unit or units shall impose any rates or rentals in
48 excess of the cost of water actually used for any sprinkler system

1 required to be installed in any residential health care facility
2 pursuant to the "Health Care Facilities Planning Act," P.L.1971,
3 c.136 (C.26:2H-1 et seq.) and regulations promulgated thereunder
4 or in any rooming or boarding house pursuant to the "Rooming and
5 Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et al.)
6 and regulations promulgated thereunder.

7 e. Nothing in this section shall preclude a local unit operating a
8 municipal water supply facility from requiring separate dedicated
9 service lines for fire protection. The local unit may require that fire
10 service lines be metered. Nothing in this section shall alter the
11 liability for maintenance and repair of service lines which exists on
12 the effective date of P.L.2003, c.278.

13 (cf: P.L.2003, c.278, s.7)

14
15 11. Section 8 of P.L.2019, c.42 (C.40A:26B-8) is amended to
16 read as follows:

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

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

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

36 (1) a partial fee reduction in the form of a credit for any
37 property that maintains and operates a stormwater management
38 system that complies with the State and local stormwater
39 management standards that were in place at the time the system was
40 approved and that effectively reduces, retains, or treats stormwater
41 onsite;

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

47 (3) an additional partial fee reduction in the form of a credit for
48 any property which has installed and is operating and maintaining

- 1 green infrastructure that reduces, retains, or treats stormwater onsite
2 and which exceeds any requirements for green infrastructure that
3 may be applicable to that property under any rule or regulation
4 adopted by the Department of Environmental Protection or the local
5 stormwater control ordinance; and
- 6 (4) an exemption from fees and other charges for land actively
7 devoted to agricultural or horticultural use that is valued, assessed,
8 and taxed pursuant to the "Farmland Assessment Act of 1964,"
9 P.L.1964, c.48 (C.54:4-23.1 et seq.).
- 10 d. Any county, municipality, or authority that collects fees and
11 charges pursuant to this section shall remit to the State Treasurer
12 annually an amount equal to five percent of all such fees and
13 charges collected, or \$50,000, whichever amount is less. The State
14 Treasurer shall deposit these moneys into the "Clean Stormwater
15 and Flood Reduction Fund" established pursuant to section 17 of
16 P.L.2019, c.42 (C.40A:26B-17).
- 17 e. Except as provided in section 5 of P.L.1983, c.111
18 (C.40A:4-35.1) or section 1 of P.L.2004, c.87 (C.40A:5A-12.1), as
19 applicable, a county, municipality, or authority shall only use fees
20 and other charges collected pursuant to this section to pay for or
21 recover all or a portion of the cost of the following:
- 22 (1) initial establishment of a stormwater utility pursuant to
23 P.L.2019, c.42 (C.40A:26B-1 et al.) and ongoing related
24 administrative expenses;
- 25 (2) capital expenditures, including planning, design,
26 engineering, acquisition, construction, and improvement of a
27 stormwater management system;
- 28 (3) operation and maintenance expenditures of a stormwater
29 management system;
- 30 (4) development and implementation of an asset management
31 program for a stormwater management system;
- 32 (5) development and implementation of a stormwater
33 management plan and stormwater control ordinances pursuant to
34 section 1 of P.L.1981, c.32 (C.40:55D-93);
- 35 (6) any action required pursuant to any New Jersey Pollutant
36 Discharge Elimination System permit;
- 37 (7) development and implementation of any long-term control
38 plan to mitigate combined sewer overflows pursuant to State or
39 federal law, rule, regulation, permit, or consent decree;
- 40 (8) monitoring, inspection, and enforcement activities to carry
41 out the purposes of P.L.2019, c.42 (C.40A:26B-1 et al.);
- 42 (9) public education and outreach related to stormwater
43 management; and
- 44 (10) any other purpose related to stormwater management as
45 may be authorized by the department, the Division of Local
46 Government Services in the Department of Community Affairs, or
47 the Local Finance Board pursuant to rules, regulations, or permits.

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

6 (cf: P.L.2019, c.42, s.8)
7

8 12. This act shall take effect immediately, but any rate reduction
9 shall remain inoperative until the first day of the fourth month next
10 following the date of enactment.
11

12 STATEMENT 13 14

15 This bill permits certain local units and authorities to reduce
16 water, sewerage, and stormwater fees, and other charges for low-
17 income persons. Current law allows certain of these local units and
18 authorities to reduce or totally abate service rates for persons who
19 are 65 years of age or older or are disabled and also meet certain
20 income requirements. This bill expands upon current law by
21 allowing local units and authorities to establish reduced general
22 water and sewerage service rates for all low-income persons based
23 on eligibility requirements set by the local unit or authority.

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

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

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

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

36 A local unit or authority that establishes a reduction under the
37 bill will be required to adopt procedures for establishing eligibility
38 and obtaining a reduction, and advertise the availability of the
39 reduction in the bills submitted to residents in the district or service
40 area, or in special periodical mailings to residents in the district or
41 service area.

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