

**SENATE, No. 2957**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

INTRODUCED JUNE 22, 2009

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

**SYNOPSIS**

Prohibits imposition of sewerage service connection fee upon municipalities and boards of education.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning sewerage connection fees for municipalities  
2 and boards of education and amending and supplementing  
3 P.L.1946, c.138 and P.L.1957, c.183 and supplementing chapter  
4 14 of Title 58 of the Revised Statutes and chapter 13 of Title 48  
5 of the Revised Statues.

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

9  
10 1. Section 3 of P.L.1946, c.138 (C.40:14A-3) is amended to  
11 read as follows:

12 3. As used in this act, unless a different meaning clearly  
13 appears from the context:

14 (1) "Municipality" shall mean any city of any class, any  
15 borough, village, town, township, or any other municipality other  
16 than a county or a school district, and except when used in section 4  
17 or 21 of this act, any agency thereof or any two or more thereof  
18 acting jointly or any joint meeting or other agency of any two or  
19 more thereof;

20 (2) "County" shall mean any county of any class;

21 (3) "Governing body" shall mean, in the case of a county, the  
22 board of chosen freeholders, or in the case of those counties  
23 organized pursuant to the provisions of the "Optional County  
24 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
25 chosen freeholders and the county executive, the county supervisor  
26 or the county manager, as appropriate, and, in the case of a  
27 municipality, the commission, council, board or body, by whatever  
28 name it may be known, having charge of the finances of the  
29 municipality;

30 (4) "Person" shall mean any person, association, corporation,  
31 nation, State or any agency or subdivision thereof, other than a  
32 county or municipality of the State or a sewerage authority;

33 (5) "Sewerage or water reclamation authority" shall mean a  
34 public body created pursuant to section 4 of this act;

35 (6) Subject to the exceptions provided in section 4 of this act,  
36 "district" shall mean the area within the territorial boundaries of the  
37 county, or of the municipality or municipalities, which created or  
38 joined in the creation of a sewerage authority;

39 (7) "Local unit" shall mean the county, or any municipality,  
40 which created or joined in the creation of a sewerage authority;

41 (8) "Sewerage system" shall mean the plants, structures, on-site  
42 waste-water systems, and other real and personal property acquired,  
43 constructed, maintained or operated or to be acquired, constructed,  
44 maintained or operated by a sewerage authority for the purposes of  
45 the sewerage authority, including sewers, conduits, pipe lines,

**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 mains, pumping and ventilating stations, sewage treatment or  
2 disposal systems, plants and works, connections, and outfalls,  
3 compensating reservoirs, and other plants, structures, boats,  
4 conveyances, and other real and personal property, and rights  
5 therein, and appurtenances necessary or useful and convenient for  
6 the collection, treatment, purification or disposal in a sanitary  
7 manner of any sewage, liquid or solid wastes, night soil or  
8 industrial wastes;

9 (9) "Cost" shall mean, in addition to the usual connotations  
10 thereof, the cost of acquisition or construction of all or any part of a  
11 sewerage system and of all or any property, rights, easements,  
12 privileges, agreements and franchises deemed by the sewerage  
13 authority to be necessary or useful and convenient therefor or in  
14 connection therewith and the cost of retiring the present value of the  
15 unfunded accrued liability due and owing by a sewerage authority,  
16 as calculated by the system actuary for a date certain upon the  
17 request of a sewerage authority, for early retirement incentive  
18 benefits granted by the sewerage authority pursuant to P.L.1991,  
19 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
20 cost of issuance of bonds, engineering and inspection costs and  
21 legal expenses, costs of financial, professional and other estimates  
22 and advice, organization, administrative, operating and other  
23 expenses of the sewerage authority prior to and during such  
24 acquisition or construction, and all such other expenses as may be  
25 necessary or incident to the financing, acquisition, construction and  
26 completion of said sewerage system or part thereof and the placing  
27 of the same in operation, and also such provision or reserves for  
28 working capital, operating, maintenance or replacement expenses or  
29 for payment or security of principal of or interest on bonds during  
30 or after such acquisition or construction as the sewerage authority  
31 may determine, and also reimbursements to the sewerage authority  
32 or any county, municipality or other person of any moneys  
33 theretofore expended for the purposes of the sewerage authority or  
34 to any county or municipality of any moneys theretofore expended  
35 for in connection with sanitation facilities;

36 (10)"Real property" shall mean lands both within and without  
37 the State, and improvements thereof or thereon, or any rights or  
38 interests therein;

39 (11)"Construct" and "construction" shall connote and include  
40 acts of construction, reconstruction, replacement, extension,  
41 improvement and betterment of a sewerage system;

42 (12)"Industrial wastes" shall mean liquid or other wastes  
43 resulting from any processes of industry, manufacture, trade or  
44 business or from the development of any natural resource;

45 (13)"Sewage" shall mean the water-carried wastes created in and  
46 carried, or to be carried, away from, or to be processed by on-site  
47 wastewater systems, residences, hotels, apartments, schools,  
48 hospitals, industrial establishments, or any other public or private

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1 building, together with such surface or ground water and industrial  
2 wastes as may be present;

3 (14)"On-site wastewater system" means any of several works,  
4 facilities, septic tanks or other devices, used to collect, treat,  
5 reclaim, or dispose of wastewater or sewage on or adjacent to the  
6 property on which the wastewater or sewage is produced, or to  
7 convey such wastewater or sewage from said property to such  
8 facilities as the authority may establish for its disposal;

9 (15)"Pollution" means the condition of water resulting from the  
10 introduction therein of substances of a kind and in quantities  
11 rendering it detrimental or immediately or potentially dangerous to  
12 the public health, or unfit for public or commercial use;

13 (16)"Ordinance" means a written act of the governing body of a  
14 municipality adopted and otherwise approved and published in the  
15 manner or mode of procedure prescribed for ordinances tending to  
16 obligate such municipality pecuniarily;

17 (17)"Resolution" means a written act of the governing body of a  
18 local unit adopted and otherwise approved in the manner or mode of  
19 procedure prescribed for resolutions tending to obligate such local  
20 unit pecuniarily;

21 (18)"Bonds" shall mean bonds or other obligations issued  
22 pursuant to this act; **[and]**

23 (19)"Compensating reservoir" shall mean the structures,  
24 facilities and appurtenances for the impounding, transportation and  
25 release of water for the replenishment in periods of drought or at  
26 other necessary times of all or a part of waters in or bordering the  
27 State diverted into a sewer, sewage treatment or sewage disposal  
28 system operated by the sewerage authority; and

29 (20)"Board of education" shall mean the board of education of  
30 any local school district, consolidated school district, regional  
31 school district, county vocational school, county special services  
32 school district, and any other board of education or other similar  
33 body other than the State Board of Education, the Commission on  
34 Higher Education or the Presidents' Council, established and  
35 operating under the provisions of Title 18A of the New Jersey  
36 Statutes and having authority to make purchases and to enter into  
37 contracts for the provision or performance of goods or services.  
38 "Board of education" shall also include the board of trustees of a  
39 charter school established under P.L.1995, c.426 (C.18A:36A-1 et  
40 seq.).

41 (cf: P.L 2002, c.42, s.4)

42

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

45 8. (a) Every sewerage authority is hereby authorized to charge  
46 and collect rents, rates, fees or other charges (in this act sometimes  
47 referred to as "service charges") for direct or indirect connection  
48 with, or the use or services of, the sewerage system. Such service

1 charges may be charged to and collected from any person  
2 contracting for such connection or use or services or from the owner  
3 or occupant, or both of them, of any real property which directly or  
4 indirectly is or has been connected with the system or from or on  
5 which originates or has originated sewage or other wastes which  
6 directly or indirectly have entered or may enter the sewerage  
7 system, and the owner of any such real property shall be liable for  
8 and shall pay such service charges to the sewerage authority at the  
9 time when and the place where such service charges are due and  
10 payable.

11 (b) Rents, rates, fees and charges, which may be payable  
12 periodically, being in the nature of use or service charges, shall as  
13 nearly as the sewerage authority shall deem practicable and  
14 equitable be uniform throughout the district for the same type, class  
15 and amount of use or service of the sewerage system, except as  
16 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2), and may  
17 be based or computed either on the consumption of water on or in  
18 connection with the real property, making due allowance for  
19 commercial use of water, or on the number and kind of water  
20 outlets on or in connection with the real property, or on the number  
21 and kind of plumbing or sewerage fixtures or facilities on or in  
22 connection with the real property, or on the number of persons  
23 residing or working on or otherwise connected or identified with the  
24 real property, or on the capacity of the improvements on or  
25 connected with the real property, or on any other factors  
26 determining the type, class and amount of use or service of the  
27 sewerage system, or on any combination of any such factors, and  
28 may give weight to the characteristics of the sewage and other  
29 wastes and any other special matter affecting the cost of treatment  
30 and disposal thereof, including chlorine demand, biochemical  
31 oxygen demand, concentration of solids and chemical composition.  
32 In addition to any such periodic service charges, a separate charge  
33 in the nature of a connection fee or tapping fee, in respect of each  
34 connection of any property with the sewerage system, may be  
35 imposed upon the owner or occupant of the property so connected.  
36 Such connection charges shall be uniform within each class of  
37 users, except as provided by section 2 of P.L.2005, c.29 (C.40:14A-  
38 8.30) and except as provided by section 2 of P.L.2005, c.173  
39 (C.40:14A-8.4) and except as provided by section 3 of P.L. .c.  
40 (C. ) (now pending before the Legislature as this bill), and the  
41 amount thereof shall not exceed the actual cost of the physical  
42 connection, if made by the authority, plus an amount computed in  
43 the following manner to represent a fair payment toward the cost of  
44 the system:

45 (1) The amount representing all debt service, including but not  
46 limited to sinking funds, reserve funds, the principal and interest on  
47 bonds, and the amount of any loans and interest thereon, paid by the  
48 sewerage authority to defray the capital cost of developing the

1 system as of the end of the immediately preceding fiscal year of the  
2 authority shall be added to all capital expenditures made by the  
3 authority not funded by a bond ordinance or debt for the  
4 development of the system as of the end of the immediately  
5 preceding fiscal year of the authority.

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

12 (3) The remainder shall be divided by the total number of  
13 service units served by the authority at the end of the immediately  
14 preceding fiscal year of the authority, and the results shall then be  
15 apportioned to each new connector according to the number of  
16 service units attributed to that connector, to produce the connector's  
17 contribution to the cost of the system. In attributing service units to  
18 each connector, the estimated average daily flow of sewage for the  
19 connector shall be divided by the average daily flow of sewage for  
20 the average single family residence in the authority's district to  
21 produce the number of service units to be attributed.

22 The connection fee shall be recomputed at the end of each fiscal  
23 year of the authority, after a public hearing is held in the manner  
24 prescribed in subsection (c) of this section. The revised connection  
25 fee may be imposed upon those who subsequently connect in that  
26 fiscal year to the system. The combination of such connection fee  
27 or tapping fee and the aforesaid periodic service charges shall meet  
28 the requirements of subsection (c) hereof.

29 (c) The sewerage authority shall prescribe and from time to time  
30 when necessary revise a schedule of service charges, which shall  
31 comply with the terms of any contract of the sewerage authority and  
32 in any event shall be such that the revenues of the sewerage  
33 authority will at all times be adequate to pay all expenses of  
34 operation and maintenance of the sewerage system, including  
35 reserves, insurance, extensions, and replacements, and to pay  
36 punctually the principal of and interest on any bonds and to  
37 maintain such reserves or sinking funds therefor as may be required  
38 by the terms of any contract of the sewerage authority or as may be  
39 deemed necessary or desirable by the sewerage authority. Said  
40 schedule shall thus be prescribed and from time to time revised by  
41 the sewerage authority after public hearing thereon which shall be  
42 held by the sewerage authority at least 20 days after notice of the  
43 proposed adjustment is mailed to the clerk of each municipality  
44 serviced by the authority and publication of notice of the proposed  
45 adjustment of the service charges and of the time and place of the  
46 public hearing in at least two newspapers of general circulation in  
47 the area serviced by the authority. The sewerage authority shall  
48 provide evidence at the hearing showing that the proposed

1 adjustment of the service charges is necessary and reasonable, and  
2 shall provide the opportunity for cross-examination of persons  
3 offering such evidence, and a transcript of the hearing shall be made  
4 and a copy thereof shall be available upon request to any interested  
5 party at a reasonable fee. The sewerage authority shall likewise fix  
6 and determine the time or times when and the place or places where  
7 such service charges shall be due and payable and may require that  
8 such service charges shall be paid in advance for periods of not  
9 more than one year. A copy of such schedule of service charges in  
10 effect shall at all times be kept on file at the principal office of the  
11 sewerage authority and shall at all reasonable times be open to  
12 public inspection.

13 (d) Any county sewerage authority may establish sewerage  
14 regions in portions of the district. Rents, rates, fees and charges  
15 which may be payable periodically, being in the nature of use or  
16 service charges, shall as nearly as the sewerage authority shall deem  
17 practicable and equitable, be uniform throughout the district for the  
18 same type, class and amount of use or service of the sewerage  
19 systems, except as permitted by section 1 of P.L.1994, c.78  
20 (C.40:14A-8.2), and shall meet all other requirements of subsection  
21 (b) hereof.

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

23

24 3. (New section) Notwithstanding any rates or schedules  
25 assessed pursuant to section 8 of P.L.1946, c.138 (C.40:14A-8), no  
26 county, regional, or municipal sewerage authority shall charge a  
27 connection fee or tapping fee for new connections of property to the  
28 sewerage system, when such property is owned by a municipality or  
29 under the charge and control of a board of education.

30 The provisions of this section, however, shall not be construed to  
31 affect or impair the bond covenants of an authority or any contract  
32 between an authority and a municipality or a board of education  
33 entered into prior to the effective date of this section.

34

35 4. Section 3 of P.L.1957, c.183 (C.40:14B-3) is amended to  
36 read as follows:

37 3. As used in this act, unless a different meaning clearly  
38 appears from the context:

39 (1) "Municipality" shall mean any city of any class, any  
40 borough, village, town, township, or any other municipality other  
41 than a county or a school district, and except when used in section  
42 4, 5, 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any  
43 two or more thereof acting jointly or any joint meeting or other  
44 agency of any two or more thereof;

45 (2) "County" shall mean any county of any class;

46 (3) "Governing body" shall mean, in the case of a county, the  
47 board of chosen freeholders, or in the case of those counties  
48 organized pursuant to the provisions of the "Optional County

1 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
2 chosen freeholders and the county executive, the county supervisor  
3 or the county manager, as appropriate, and, in the case of a  
4 municipality, the commission, council, board or body, by whatever  
5 name it may be known, having charge of the finances of the  
6 municipality;

7 (4) "Person" shall mean any person, association, corporation,  
8 nation, state or any agency or subdivision thereof, other than a  
9 county or municipality of the State or a municipal authority;

10 (5) "Municipal or water reclamation authority" shall mean a  
11 public body created or organized pursuant to section 4, 5 or 6 of this  
12 act and shall include a municipal utilities authority created by one  
13 or more municipalities and a county utilities authority created by a  
14 county;

15 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
16 this act, "district" shall mean the area within the territorial  
17 boundaries of the county, or of the municipality or municipalities,  
18 which created or joined in or caused the creation or organization of  
19 a municipal authority;

20 (7) "Local unit" shall mean the county, or any municipality,  
21 which created or joined in or caused the creation or organization of  
22 a municipal authority;

23 (8) "Water system" shall mean the plants, structures and other  
24 real and personal property acquired, constructed or operated or to be  
25 acquired, constructed or operated by a municipal authority or by  
26 any person to whom a municipal authority has extended credit for  
27 this purpose for the purposes of the municipal authority, including  
28 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,  
29 pipelines, mains, pumping stations, water distribution systems,  
30 compensating reservoirs, waterworks or sources of water supply,  
31 wells, purification or filtration plants or other plants and works,  
32 connections, rights of flowage or division, and other plants,  
33 structures, boats, conveyances, and other real and personal property,  
34 and rights therein, and appurtenances necessary or useful and  
35 convenient for the accumulation, supply and redistribution of water;

36 (9) "Sewerage system" shall mean the plants, structures, on-site  
37 wastewater systems and other real and personal property acquired,  
38 constructed or operated or to be acquired, constructed, maintained  
39 or operated by a municipal authority or by any person to whom a  
40 municipal authority has extended credit for this purpose for the  
41 purposes of the municipal authority, including sewers, conduits,  
42 pipelines, mains, pumping and ventilating stations, sewage  
43 treatment or disposal systems, plants and works, connections,  
44 outfalls, compensating reservoirs, and other plants, structures,  
45 boats, conveyances, and other real and personal property, and rights  
46 therein, and appurtenances necessary or useful and convenient for  
47 the collection, treatment, purification or disposal in a sanitary



1 manner of any sewage, liquid or solid wastes, night soil or  
2 industrial wastes;

3 (10)"Utility system" shall mean a water system, solid waste  
4 system, sewerage system, or a hydroelectric system or any  
5 combination of such systems, acquired, constructed or operated or  
6 to be acquired, constructed or operated by a municipal authority or  
7 by any person to whom a municipal authority has extended credit  
8 for this purpose;

9 (11)"Cost" shall mean, in addition to the usual connotations  
10 thereof, the cost of acquisition or construction of all or any part of a  
11 utility system and of all or any property, rights, easements,  
12 privileges, agreements and franchises deemed by the municipal  
13 authority to be necessary or useful and convenient therefor or in  
14 connection therewith and the cost of retiring the present value of the  
15 unfunded accrued liability due and owing by a municipal authority,  
16 as calculated by the system actuary for a date certain upon the  
17 request of a municipal authority, for early retirement incentive  
18 benefits granted by the municipal authority pursuant to P.L.1991,  
19 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
20 cost of issuance of bonds, engineering and inspection costs and  
21 legal expenses, cost of financial, professional and other estimates  
22 and advice, organization, administrative, operating and other  
23 expenses of the municipal authority prior to and during such  
24 acquisition or construction, and all such other expenses as may be  
25 necessary or incident to the financing, acquisition, construction and  
26 completion of said utility system or part thereof and the placing of  
27 the same in operation, and also such provision or reserves for  
28 working capital, operating, maintenance or replacement expenses or  
29 for payment or security of principal of or interest on bonds during  
30 or after such acquisition or construction as the municipal authority  
31 may determine, and also reimbursements to the municipal authority  
32 or any county, municipality or other person of any moneys  
33 theretofore expended for the purposes of the municipal authority or  
34 to any county or municipality of any moneys theretofore expended  
35 for or in connection with water supply, solid waste, water  
36 distribution, sanitation or hydroelectric facilities;

37 (12)"Real property" shall mean lands both within or without the  
38 State, and improvements thereof or thereon, or any rights or  
39 interests therein;

40 (13)"Construct" and "construction" shall connote and include  
41 acts of construction, reconstruction, replacement, extension,  
42 improvement and betterment of a utility system;

43 (14)"Industrial wastes" shall mean liquid or other wastes  
44 resulting from any processes of industry, manufacture, trade or  
45 business or from the development of any natural resource, and shall  
46 include any chemical wastes or hazardous wastes;

47 (15)"Sewage" shall mean the water-carried wastes created in and  
48 carried, or to be carried, away from, or to be processed by on-site

1 wastewater systems, residences, hotels, apartments, schools,  
2 hospitals, industrial establishments, or any other public or private  
3 building, together with such surface or ground water and industrial  
4 wastes and leacheate as may be present;

5 (16)"On-site wastewater system" means any of several facilities,  
6 septic tanks or other devices, used to collect, treat, reclaim, or  
7 dispose of wastewater or sewage on or adjacent to the property on  
8 which the wastewater or sewage is produced, or to convey such  
9 wastewater or sewage from said property to such facilities as the  
10 authority may establish for its disposal;

11 (17)"Pollution" means the condition of water resulting from the  
12 introduction therein of substances of a kind and in quantities  
13 rendering it detrimental or immediately or potentially dangerous to  
14 the public health, or unfit for public or commercial use;

15 (18)"Bonds" shall mean bonds or other obligations issued  
16 pursuant to this act;

17 (19)"Service charges" shall mean water service charges, solid  
18 waste service charges, sewer service charges, hydroelectric service  
19 charges or any combination of such charges, as said terms are  
20 defined in section 21 or 22 of this act or in section 7 of this  
21 amendatory and supplementary act;

22 (20)"Compensating reservoir" shall mean the structures,  
23 facilities and appurtenances for the impounding, transportation and  
24 release of water for the replenishment in periods of drought or at  
25 other necessary times of all or a part of waters in or bordering the  
26 State diverted into a utility system operated by a municipal  
27 authority;

28 (21)"Sewage or water reclamation authority" shall mean a public  
29 body created pursuant to the "sewerage authorities law," P.L.1946,  
30 c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or  
31 supplemental thereto;

32 (22)"County sewer authority" shall mean a sanitary sewer district  
33 authority created pursuant to the act entitled "An act relating to the  
34 establishment of sewerage districts in first- and second-class  
35 counties, the creation of Sanitary Sewer District Authorities by the  
36 establishing of such districts, prescribing the powers and duties of  
37 any such authority and of other public bodies in connection with the  
38 construction of sewers and sewage disposal facilities in any such  
39 district, and providing the ways and means for paying the costs of  
40 construction and operation thereof," approved April 23, 1946  
41 (P.L.1946, c.123), or the acts amendatory thereof or supplemental  
42 thereto;

43 (23)"Chemical waste" shall mean a material normally generated  
44 by or used in chemical, petrochemical, plastic, pharmaceutical,  
45 biochemical or microbiological manufacturing processes or  
46 petroleum refining processes, which has been selected for waste  
47 disposal and which is known to hydrolize, ionize or decompose,  
48 which is soluble, burns or oxidizes, or which may react with any of

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1 the waste materials which are introduced into the landfill, or which  
2 is buoyant on water, or which has a viscosity less than that of water  
3 or which produces a foul odor. Chemical waste may be either  
4 hazardous or nonhazardous;

5 (24)"Effluent" shall mean liquids which are treated in and  
6 discharged by sewage treatment plants;

7 (25)"Hazardous wastes" shall mean any waste or combination of  
8 waste which poses a present or potential threat to human health,  
9 living organisms or the environment. "Hazardous waste" shall  
10 include, but not be limited to, waste material that is toxic, corrosive,  
11 irritating, sensitizing, radioactive, biologically infectious, explosive  
12 or flammable;

13 (26)"Leachate" shall mean a liquid that has been in contact with  
14 solid waste and contains dissolved or suspended materials from that  
15 solid waste;

16 (27)"Recycling" shall mean the separation, collection, processing  
17 or recovery of metals, glass, paper, solid waste and other materials  
18 for reuse or for energy production and shall include resource  
19 recovery;

20 (28)"Sludge" shall mean any solid, semisolid, or liquid waste  
21 generated from a municipal, industrial or other sewage treatment  
22 plant, water supply treatment plant, or air pollution control facility,  
23 or any other such waste having similar characteristics and effects;  
24 "sludge" shall not include effluent;

25 (29)"Solid waste" shall mean garbage, refuse, and other  
26 discarded materials resulting from industrial, commercial and  
27 agricultural operations, and from domestic and community  
28 activities, and shall include all other waste materials including  
29 sludge, chemical waste, hazardous wastes and liquids, except for  
30 liquids which are treated in public sewage treatment plants and  
31 except for solid animal and vegetable wastes collected by swine  
32 producers licensed by the State Department of Agriculture to  
33 collect, prepare and feed such wastes to swine on their own farms;

34 (30)"Solid waste system" shall mean and include the plants,  
35 structures and other real and personal property acquired,  
36 constructed or operated or to be acquired, constructed or operated  
37 by an authority or by any person to whom a municipal authority has  
38 extended credit for this purpose pursuant to the provisions of this  
39 act, including transfer stations, incinerators, recycling facilities,  
40 including facilities for the generation, transmission and distribution  
41 of energy derived from the processing of solid waste, sanitary  
42 landfill facilities or other property or plants for the collection,  
43 recycling or disposal of solid waste and all vehicles, equipment and  
44 other real and personal property and rights thereon and  
45 appurtenances necessary or useful and convenient for the collection,  
46 recycling, or disposal of solid waste in a sanitary manner;

47 (31)"Hydroelectric system" shall mean the plants, structures and  
48 other real and personal property acquired, constructed or operated

1 or to be acquired, constructed or operated by an authority pursuant  
2 to the provisions of this act, including all that which is necessary or  
3 useful and convenient for the generation, transmission and sale of  
4 hydroelectric power at wholesale;

5 (32)"Hydroelectric power" shall mean the production of electric  
6 current by the energy of moving water;

7 (33)"Sale of hydroelectric power at wholesale" shall mean any  
8 sale of hydroelectric power to any person for purposes of resale of  
9 such power;

10 (34)"Alternative electrical energy" shall mean electrical energy  
11 produced from solar, photovoltaic, wind, geothermal, or biomass  
12 technologies, provided that in the case of biomass technology, the  
13 biomass is cultivated and harvested in a sustainable manner; **[and]**

14 (35)"Alternative electrical energy system" shall mean any  
15 system which uses alternative electrical energy to provide all or a  
16 portion of the electricity for the heating, cooling, or general  
17 electrical energy needs of a building; and

18 (36)"Board of education" shall mean the board of education of  
19 any local school district, consolidated school district, regional  
20 school district, county vocational school, county special services  
21 school district, and any other board of education or other similar  
22 body other than the State Board of Education, the Commission on  
23 Higher Education or the Presidents' Council, established and  
24 operating under the provisions of Title 18A of the New Jersey  
25 Statutes and having authority to make purchases and to enter into  
26 contracts for the provision or performance of goods or services.  
27 "Board of education" shall also include the board of trustees of a  
28 charter school established under P.L.1995, c.426 (C.18A:36A-1 et  
29 seq.).

30 (cf: P.L.2007, c.306, s.1)

31

32 5. Section 22 of P.L.1957, c.183 (C.40:14B-22) is amended to  
33 read as follows:

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

1 charges, shall as nearly as the municipal authority shall deem  
2 practicable and equitable be uniform throughout the district for the  
3 same type, class and amount of use or service of the sewerage  
4 system, except as permitted by section 1 of P.L.1992, c.215  
5 (C.40:14B-22.2), and may be based or computed either on the  
6 consumption of water on or in connection with the real property,  
7 making due allowance for commercial use of water, or on the  
8 number and kind of water outlets on or in connection with the real  
9 property, or on the number and kind of plumbing or sewerage  
10 fixtures or facilities on or in connection with the real property, or on  
11 the number of persons residing or working on or otherwise  
12 connected or identified with the real property, or on the capacity of  
13 the improvements on or connected with the real property, or on any  
14 other factors determining the type, class and amount of use or  
15 service of the sewerage system, or on any combination of any such  
16 factors, and may give weight to the characteristics of the sewage  
17 and other wastes and any other special matter affecting the cost of  
18 treatment and disposal of the same, including chlorine demand,  
19 biochemical oxygen demand, concentration of solids and chemical  
20 composition, and, as to service outside the district, the cost of  
21 installation of necessary physical properties.

22 In addition to any such sewerage service charges, a separate  
23 charge in the nature of a connection fee or tapping fee, in respect of  
24 each connection of any property with the sewerage system, may be  
25 imposed upon the owner or occupant of the property so connected.  
26 Such connection charges shall be uniform within each class of  
27 users, except as provided by section 5 of P.L.2005, c.29 (C.40:14B-  
28 22.3) and except as provided by section 5 of P.L.2005, c.173  
29 (C.44:14B-22.4) and except as provided by section 5 of  
30 P.L. .c. (C. ) (now pending before the Legislature as this bill),  
31 and the amount thereof shall not exceed the actual cost of the  
32 physical connection, if made by the authority, plus an amount  
33 computed in the following manner to represent a fair payment  
34 towards the cost of the system:

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

44 b. Any gifts, contributions or subsidies to the authority  
45 received from, and not reimbursed or reimbursable to, any federal,  
46 State, county or municipal government or agency or any private  
47 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 c. 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. In attributing service  
8 units to each connector, the estimated average daily flow of sewage  
9 for the connector shall be divided by the average daily flow of  
10 sewage from the average single family residence in the authority's  
11 district, to produce the number of service units to be attributed.

12 The connection fee shall be recomputed at the end of each fiscal  
13 year of the authority, after a public hearing is held in the manner  
14 prescribed in section 23 of P.L.1957, c.183 (C.40:14B-23). The  
15 revised connection fee may be imposed upon those who  
16 subsequently connect in that fiscal year to the system.

17 The combination of such connection fee or tapping fee and the  
18 aforesaid sewerage service charges shall meet the requirements of  
19 section 23.

20 (cf: P.L.2005, c.173, s.4)

21

22 6. (New section) a. Notwithstanding any rates or schedules  
23 assessed pursuant to section 22 of P.L.1946, c.183 (C.40:14B-22), a  
24 county, regional or municipal utilities authority shall not charge a  
25 connection fee or tapping fee for new connections of property to the  
26 sewerage system, when such property is owned by a municipality or  
27 under the charge and control of a board of education.

28 The provisions of this section, however, shall not be construed to  
29 affect or impair the bond covenants of an authority or any contract  
30 between an authority and a municipality or a board of education  
31 entered into prior to the effective date of this section.

32 b. As used in this section, "board of education" shall mean the  
33 board of education of any local school district, consolidated school  
34 district, regional school district, county vocational school, county  
35 special services school district, and any other board of education or  
36 other similar body other than the State Board of Education, the  
37 Commission on Higher Education or the Presidents' Council,  
38 established and operating under the provisions of Title 18A of the  
39 New Jersey Statutes and having authority to make purchases and to  
40 enter into contracts for the provision or performance of goods or  
41 services. "Board of education" shall also include the board of  
42 trustees of a charter school established under P.L.1995, c.426  
43 (C.18A:36A-1 et seq.).

44

45 7. (New section) a. Notwithstanding the provisions of section  
46 1 of P.L.1976, c.125 (C.58:14-35) or any other provision of law,  
47 rule or regulation to the contrary, the Passaic Valley Sewerage  
48 Commissioners shall not charge a connection fee or tapping fee for

1 new connections of property to the sewerage system, when such  
2 property is owned by a municipality or under the charge and control  
3 of a board of education.

4 The provisions of this section, however, shall not be construed to  
5 affect or impair the bond covenants of the commissioners or any  
6 contract between the commissioners and a municipality or a board  
7 of education entered into prior to the effective date of this section.

8 b. As used in this section, "board of education" shall mean and  
9 include the board of education of any local school district,  
10 consolidated school district, regional school district, county  
11 vocational school, county special services school district, and any  
12 other board of education or other similar body other than the State  
13 Board of Education, the Commission on Higher Education or the  
14 Presidents' Council, established and operating under the provisions  
15 of Title 18A of the New Jersey Statutes and having authority to  
16 make purchases and to enter into contracts for the provision or  
17 performance of goods or services. "Board of education" also shall  
18 include the board of trustees of a charter school established under  
19 P.L.1995, c.426 (C.18A:36A-1 et seq.); and "municipality" shall  
20 mean any city of any class, any borough, village, town, township, or  
21 any other municipality other than a county or a school district, and  
22 any agency thereof or any two or more thereof acting jointly or any  
23 joint meeting or other agency of any two or more thereof.

24  
25 8. (New section) a. Notwithstanding any law, rule, order, or  
26 regulation to the contrary, the Board of Public Utilities shall  
27 prohibit a public utility which is or shall be engaged in supplying  
28 sewerage service, from charging any connection fee or tapping fee  
29 for new connections of property to the sewerage system, when such  
30 property is owned by a municipality or under the charge and control  
31 of a board of education.

32 The provisions of this section, however, shall not be construed to  
33 affect or impair any contract between such public utility and a  
34 municipality or a board of education entered into prior to the  
35 effective date of this section.

36 b. As used in this section, "board of education" shall mean and  
37 include the board of education of any local school district,  
38 consolidated school district, regional school district, county  
39 vocational school, county special services school district, and any  
40 other board of education or other similar body other than the State  
41 Board of Education, the Commission on Higher Education or the  
42 Presidents' Council, established and operating under the provisions  
43 of Title 18A of the New Jersey Statutes and having authority to  
44 make purchases and to enter into contracts for the provision or  
45 performance of goods or services. "Board of education" also shall  
46 include the board of trustees of a charter school established under  
47 P.L.1995, c.426 (C.18A:36A-1 et seq.); and "municipality" shall  
48 mean any city of any class, any borough, village, town, township, or

1 any other municipality other than a county or a school district, and  
2 any agency thereof or any two or more thereof acting jointly or any  
3 joint meeting or other agency of any two or more thereof.

4  
5 9. This act shall take effect immediately.

6  
7  
8 STATEMENT

9  
10 This bill prohibits sewerage authorities created pursuant to the  
11 “sewerage authorities law,” P.L.1946, c.138 (C.40:14A-1 et seq.),  
12 utility authorities created pursuant to the “municipal and county  
13 utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) and  
14 the Passaic Valley Sewerage Commissioners, from charging a  
15 connection fee or tapping fee for new connections of property to the  
16 sewerage system, when such property is owned by a municipality or  
17 under the charge and control of a local board of education or the  
18 board of trustees of a charter school established under P.L.1995,  
19 c.426 (C.18A:36A-1 et seq.). In addition, the bill provides that the  
20 Board of Public Utilities (the “board) shall prohibit a public utility  
21 supplying sewerage service under the board’s jurisdiction from  
22 charging any connection fee or tapping fee for new connections of  
23 property to the sewerage system, when such property is owned by a  
24 municipality or under the charge and control of a board of education  
25 or the board of trustees of a charter school.