

SENATE, No. 2526

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MAY 12, 2022

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Permits certain local units and authorities to reduce water, sewer, and stormwater fees and other charges for low-income persons; appropriates \$200,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/29/2022)

1 AN ACT concerning certain water and sewerage service rates and
2 stormwater utility fees, amending and supplementing various parts
3 of the statutory law, and making an appropriation.

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 permitted
12 by federal law, annually establish within its district rates or schedules
13 which provide for a reduction of the periodic rents, rates, fees, or
14 other charges for the use or services of the sewerage system which
15 are charged to or collected from a person residing in the district,
16 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 household income for the person who resides in the
20 dwelling unit is at or below a percentage of the most recent federal
21 poverty guidelines, which percentage shall be established by the
22 county or municipal sewerage authority, but shall be no greater than
23 the maximum threshold established by the Department of
24 Community Affairs for the Low Income Household Water Assistance
25 Program or a similar program administered by the department for
26 assistance with water bills, sewer bills, or both, or in the absence of
27 such a program, the Low Income Home Energy Assistance Program
28 administered by the department;

29 (3) non-household members do not pay for the costs of sewer
30 service on behalf of the person;

31 (4) the household does not consist entirely of students who are
32 tax dependents of another household; and

33 (5) the person does not receive a reduction or total abatement of
34 the periodic rents, rates, fees, or other charges under section 1 of
35 P.L.1994, c.78 (C.40:14A-8.2) offered by the county or municipal
36 sewerage authority.

37 b. A county or municipal sewerage authority that establishes a
38 reduction pursuant to subsection a. of this section shall adopt
39 procedures for establishing eligibility and obtaining a reduction, and
40 shall advertise the availability of the reduction in the bills submitted
41 to residents in the district for periodic rents, rates, fees, or other
42 charges for the use or services of the sewerage system, or in special
43 periodic mailings to residents in the district. For purposes of
44 establishing eligibility, a resident shall, at minimum, provide
45 information and documentation concerning identity, income,

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 household, and ownership or tenancy. The annual application
2 deadline shall be established no later than 60 days prior to the close
3 of the fiscal year unless the county or municipal sewerage authority
4 has obtained approval of an application made pursuant to subsection
5 d. of this section.

6 c. The provisions of this section shall apply only if a county or
7 municipal sewerage authority determines that, with regard to its
8 annual budget, there is a sufficient amount of unrestricted net
9 position available to be set aside and designated to offset the
10 projected loss in revenues that may be attributable to providing a
11 reduction permitted pursuant to subsection a. of this section.

12 d. Notwithstanding subsection c. of this section to the contrary,
13 a county or municipal sewerage authority may request approval from
14 the Director of the Division of Local Government Services to fund a
15 reduction established pursuant to subsection a. of this section from
16 its enterprise fund. The director shall approve the application if the
17 authority can demonstrate that, based on a rate study conducted
18 pursuant to section 11 of P.L. 2021, c.184 (C.40A:5A-10.1), the
19 reduction will not result in:

20 (1) an unreasonable increase in average residential rates, rents,
21 fees, and charges; or

22 (2) the authority having insufficient funds to maintain the
23 integrity of its system infrastructure.

24 e. As used in this section:

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

27 “Household income” means the total income from all sources
28 during the last full calendar year of an owner or tenant of a dwelling
29 unit in the district and any individual or group of individuals residing
30 with the owner or tenant such that the owner or tenant, together with
31 the individual or group of individuals, live together as one economic
32 unit for whom sewer service is customarily provided in common.

33

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

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

45 (2) the household income for the person who resides in the
46 dwelling unit is at or below a percentage of the most recent federal
47 poverty guidelines, which percentage shall be established by the
48 municipal authority, but shall be no greater than the maximum
49 threshold established by the Department of Community Affairs for

1 the Low Income Household Water Assistance Program or a similar
2 program administered by the department for assistance with water
3 bills, sewer bills, or both, or in the absence of such a program, the
4 Low Income Home Energy Assistance Program administered by the
5 department;

6 (3) non-household members do not pay for the costs of sewer
7 service on behalf of the person;

8 (4) the household does not consist entirely of students who are
9 tax dependents of another household; and

10 (5) the person does not receive a reduction or total abatement of
11 the periodic rents, rates, fees, or other charges under section 1 of
12 P.L.1992, c.215 (C.40:14B-22.2) offered by the municipal authority.

13 b. A municipal authority that establishes a reduction pursuant to
14 subsection a. of this section shall adopt procedures for establishing
15 eligibility and obtaining a reduction, and shall advertise the
16 availability of the reduction in the bills submitted to residents in the
17 district for periodic rents, rates, fees, or other charges for the use or
18 services of the sewerage system, the water system, or both the
19 sewerage system and the water system, or in special periodic
20 mailings to residents in the district. For purposes of establishing
21 eligibility, a resident shall, at minimum, provide information and
22 documentation concerning identity, income, household, and
23 ownership or tenancy. The annual application deadline shall be
24 established no later than 60 days prior to the close of the fiscal year
25 unless the municipal authority has obtained approval of an
26 application made pursuant to subsection d. of this section.

27 c. The provisions of subsections a. and b. of this section shall
28 apply only if a municipal authority determines that, with regard to its
29 annual budget, there exists a sufficient amount of unrestricted net
30 position able to be set aside and designated to offset the projected
31 loss in revenues that may be attributable to providing a reduction
32 permitted pursuant to subsection a. of this section.

33 d. Notwithstanding subsection c. of this section to the contrary,
34 a municipal authority may request approval from the Director of the
35 Division of Local Government Services to fund a reduction
36 established pursuant to subsection a. of this section from its
37 enterprise fund. The director shall approve the application if the
38 authority can demonstrate that, based on a rate study conducted
39 pursuant to section 11 of P.L.2021, c.184 (C.40A:5A-10.1), the
40 reduction will not result in:

41 (1) an unreasonable increase in average residential rates, rents,
42 fees, and charges; or

43 (2) the authority having insufficient funds to maintain the
44 integrity of its system infrastructure.

45 If the authority has completed a rate study pursuant to section 11
46 of P.L.2021, c.184 (C.40A:5A-10.1) within the period required under
47 regulations promulgated by the Local Finance Board for a municipal
48 authority with a water operation, the authority may use that study in
49 its application to the Director.

1 e. As used in this section:

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

4 “Household income” means the total income from all sources
5 during the last full calendar year of an owner or tenant of a dwelling
6 unit in the district and any individual or group of individuals residing
7 with the owner or tenant such that the owner or tenant, together with
8 the individual or group of individuals, live together as one economic
9 unit for whom sewer service is customarily provided in common.

10

11 3. (New section) a. In addition to being authorized to establish
12 rates or schedules as provided for in section 5 of P.L.1994, c.78
13 (C.40A:26A-10.1), any local unit operating a county or municipal
14 sewerage facility, which bills individual retail customer accounts,
15 may, to the extent permitted by federal law, annually establish within
16 its district rates or schedules which provide for a reduction of the
17 periodic rents, rates, fees, or other charges for the use or services of
18 the sewerage system which are charged to or collected from a person
19 residing in the district, provided that:

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

22 (2) the household income for the person who resides in the
23 dwelling unit is at or below a percentage of the most recent federal
24 poverty guidelines, which percentage shall be established by the local
25 unit operating a county or municipal sewerage facility, but shall be
26 no greater than the maximum threshold established by the
27 Department of Community Affairs for the Low Income Household
28 Water Assistance Program or a similar program administered by the
29 department for assistance with water bills, sewer bills, or both, or in
30 the absence of such a program, the Low Income Home Energy
31 Assistance Program administered by the department;

32 (3) non-household members do not pay for the costs of sewer
33 service on behalf of the person;

34 (4) the household does not consist entirely of students who are
35 tax dependents of another household; and

36 (5) the person does not receive a reduction or total abatement of
37 the periodic rents, rates, fees, or other charges under section 5 of
38 P.L.1994, c.78 (C.40A:26A-10.1) offered by the local unit.

39 b. A local unit operating a county or municipal sewerage facility
40 that establishes a reduction pursuant to subsection a. of this section
41 shall adopt procedures for establishing eligibility and obtaining a
42 reduction, and shall advertise the availability of the reduction in the
43 bills submitted to residents in the district for periodic rents, rates,
44 fees, or other charges for the use or services of the sewerage system,
45 or in special periodic mailings to residents in the district. For
46 purposes of establishing eligibility, a resident shall, at minimum,
47 provide information and documentation concerning identity, income,
48 household, and ownership or tenancy. The annual application
49 deadline shall be established no later than March 15th, or October

1 15th in the case of a municipality with a State Fiscal Year budget
2 cycle, unless the local unit has obtained approval of an application
3 made pursuant to subsection d of this section.

4 c. The provisions of subsections a. and b. of this section shall
5 apply only if a local unit operating a county or municipal sewerage
6 facility determines that, with regard to its annual budget, there is a
7 sufficient amount of undesignated fund balance in the local unit's
8 budget or, if the local unit operates the county or municipal sewerage
9 facility as a sewer utility or as part of a combined water and sewer
10 utility, the utility budget available to be set aside and designated to
11 offset the projected loss in revenues that may be attributable to
12 providing a reduction permitted pursuant to subsection a. of this
13 section.

14 d. Notwithstanding subsection c. of this section to the contrary,
15 a local unit operating a county or municipal sewerage facility may
16 request approval from the Director of the Division of Local
17 Government Services to use their current fund or, if the local unit
18 operates the county or municipal sewerage facility as a sewer utility
19 or as part of a combined water and sewer utility, the operating fund
20 of the utility to offset the projected loss in revenues that may be
21 attributable to providing a reduction permitted pursuant to subsection
22 a. of this section. The director shall approve the application if the
23 local unit can demonstrate that, based on a rate study conducted
24 pursuant to section 6 of P.L.2021, c.184 (C.40A:4-35.2) the proposed
25 reduction will not result in either:

26 (1) an unreasonable increase in average residential rates, rents,
27 fees and charges; or

28 (2) insufficient funds to ensure the integrity of the sewerage
29 system infrastructure.

30 e. As used in this section:

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

33 "Household income" means the total income from all sources
34 during the last full calendar year of an owner or tenant of a dwelling
35 unit in the district and any individual or group of individuals residing
36 with the owner or tenant such that the owner or tenant, together with
37 the individual or group of individuals, live together as one economic
38 unit for whom sewer service is customarily provided in common.

39

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

- 1 (1) the person is the owner or tenant of a dwelling unit in the
2 district and the person resides in the dwelling unit;
 - 3 (2) the household income for the person who resides in the
4 dwelling unit is at or below a percentage of the most recent federal
5 poverty guidelines, which percentage shall be established by the local
6 unit operating a county or municipal water supply facility, but shall
7 be no greater than the maximum threshold established by the
8 Department of Community Affairs for the Low Income Household
9 Water Assistance Program or a similar program administered by the
10 department for assistance with water bills, sewer bills, or both, or in
11 the absence of such a program, the Low Income Home Energy
12 Assistance Program administered by the department;
 - 13 (3) non-household members do not pay for the costs of sewer
14 service on behalf of the person;
 - 15 (4) the household does not consist entirely of students who are
16 tax dependents of another household; and
 - 17 (5) the person does not receive a reduction or total abatement of
18 the periodic rents, rates, fees, or other charges under section 7 of
19 P.L.1994, c.78 (C.40A:31-10.1) offered by the local unit.
- 20 b. A local unit operating a county or municipal water supply
21 facility that establishes a reduction pursuant to subsection a. of this
22 section shall adopt procedures for establishing eligibility and
23 obtaining a reduction, and shall advertise the availability of the
24 reduction in the bills submitted to residents in the district for periodic
25 rents, rates, or other charges for water supply service, or in special
26 periodic mailings to residents in the district. For purposes of
27 establishing eligibility, a resident shall, at minimum, provide
28 information and documentation concerning identity, income,
29 household, and ownership or tenancy. The annual application
30 deadline shall be established no later than March 15th, or October
31 15th in the case of a municipality with a State Fiscal Year budget
32 cycle, unless the local unit has obtained approval of an application
33 made pursuant to subsection d of this section.
- 34 c. The provisions of subsections a. and b. of this section shall
35 apply only if a local unit operating a county or municipal water
36 supply facility determines that, with regard to its annual budget, there
37 is a sufficient amount of undesignated fund balance in the local unit's
38 budget or, if the local unit operates a county or municipal water
39 facility as a water utility or as part of a combined water and sewer
40 utility, the utility budget available to be set aside and designated to
41 offset the projected loss in revenues that may be attributable to
42 providing a reduction permitted pursuant to subsection a. of this
43 section.
- 44 d. Notwithstanding subsection c. of this section to the contrary,
45 a local unit operating a county or municipal water supply facility may
46 request approval from the Director of the Division of Local
47 Government Services to use their current fund or, if the local unit
48 operates the county or municipal water facility as a water utility or
49 as part of a combined water and sewer utility, the operating fund of

1 the utility budget to offset the projected loss in revenues that may be
2 attributable to providing a reduction permitted pursuant to subsection
3 a. of this section. The director shall approve the application if the
4 local unit can demonstrate that, based on a rate study conducted
5 pursuant to section 6 of P.L.2021, c.184 (C.40A:4-35.2) the proposed
6 reduction will not result in either an unreasonable increase in the
7 average residential rates, rents, fees and charges, or insufficient funds
8 to ensure the integrity of its system infrastructure. If the local unit
9 has already completed a rate study pursuant to section 6 of P.L.2021,
10 c.184 (C.40A:4-35.2) within the period required by regulations
11 adopted by the Local Finance Board, the local unit may use that study
12 in its application to the director.

13 e. As used in this section:

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

16 “Household income” means the total income from all sources
17 during the last full calendar year of an owner or tenant of a dwelling
18 unit in the district and any individual or group of individuals residing
19 with the owner or tenant such that the owner or tenant, together with
20 the individual or group of individuals, live together as one economic
21 unit for whom sewer service is customarily provided in common.

22

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

30 (1) the person is the owner or tenant of a dwelling unit in the
31 stormwater utility’s service area and the person resides in the
32 dwelling unit;

33 (2) the household income for the person who resides in the
34 dwelling unit is at or below a percentage of the most recent federal
35 poverty guidelines, which percentage shall be established by the
36 county, municipality, or authority, but shall be no greater than the
37 maximum threshold established by the Department of Community
38 Affairs for the Low Income Household Water Assistance Program or
39 a similar program administered by the department for assistance with
40 water bills, sewer bills, or both, or in the absence of such a program,
41 the Low Income Home Energy Assistance Program administered by
42 the department;

43 (3) non-household members do not pay for the costs of sewer
44 service on behalf of the person; and

45 (4) the household does not consist entirely of students who are
46 tax dependents of another household.

47 b. A county, municipality, or authority that establishes a
48 reduction in fees and other charges pursuant to subsection a. of this
49 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 stormwater utility's
3 service area for fees and other charges for stormwater management,
4 or in special periodic mailings to residents in the stormwater utility's
5 service area. For purposes of establishing eligibility, a resident shall,
6 at minimum, provide information and documentation concerning
7 identity, income, household, and ownership or tenancy. The annual
8 application deadline shall be established no later than March 15th, or
9 October 15th in the case of a municipality with a State Fiscal Year
10 budget cycle, unless the local unit has obtained approval of an
11 application made pursuant to subsection d. of this section.

12 c. The provisions of subsections a. and b. of this section shall
13 apply only if a county, municipality, or authority that establishes a
14 stormwater utility determines that, with regard to its annual budget,
15 there is available an undesignated fund balance in the stormwater
16 utility budget or the budget of another utility with which stormwater
17 is combined, or in the case of an authority there exists a sufficient
18 amount of unrestricted net position, able to be set aside and
19 designated to offset the projected loss in revenues that may be
20 attributable to providing a reduction permitted pursuant to subsection
21 a. of this section.

22 d. Notwithstanding subsection c. of this section to the contrary,
23 a county, municipality, or authority that establishes a stormwater
24 utility may request approval from the Director of the Division of
25 Local Government Services to use their utility operating fund or
26 authority enterprise fund, as applicable, to offset the projected loss in
27 revenues that may be attributable to providing a reduction permitted
28 pursuant to subsection a. of this section. The director shall approve
29 the application if the local unit can demonstrate that, based on a rate
30 study conducted pursuant to section 6 of P.L.2021, c.184 (C.40A:4-
31 35.2) or section 11 of P.L.2021, c.184 (C.40A:5A-10.1), as
32 applicable, the proposed reduction will not result in either an
33 unreasonable increase in the average residential rates, rents, fees and
34 charges, or insufficient funds to ensure the integrity of its system
35 infrastructure.

36 e. As used in this section:

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

39 "Household income" means the total income from all sources
40 during the last full calendar year of an owner or tenant of a dwelling
41 unit in the district and any individual or group of individuals residing
42 with the owner or tenant such that the owner or tenant, together with
43 the individual or group of individuals, live together as one economic
44 unit for whom sewer service is customarily provided in common.
45

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

48 1. a. Notwithstanding the provisions of any other law to the
49 contrary, the budget of a regional sewerage authority that was created

1 pursuant to the provisions of P.L.1946, c.138 (C.40:14A-1 et seq.), and
2 that is located in a county of the first class with a population of over
3 600,000 and a population density of over 10,000 persons per square mile
4 according to the latest federal decennial census shall be subject to the
5 following provisions:

6 (1) (a) The percentage of growth in the fee-funded appropriations
7 in the annual budget of a regional sewerage authority shall not exceed
8 two percent per year; and the amount billed to customers of the
9 authority, or the amount billed to a local unit for its proportional share
10 of the authority's expenses, as the case may be, shall not exceed that
11 amount billed in the previous budget year to each customer or local unit,
12 as the case may be, by more than two percent for a similar amount of
13 use or service of the sewerage system.

14 (b) A regional sewerage authority may add to the allowable growth
15 in fee-funded appropriations in any one of the next three succeeding
16 years, the amount of the difference between the maximum allowable
17 increase in fee-funded appropriations for the current budget year
18 pursuant to subparagraph (a) of this paragraph and the actual amount of
19 fee-funded appropriations for the current budget year.

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

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

26 (b) increases in pension contributions and accrued liability for
27 pension contributions in excess of two percent over those expenditures
28 for the previous budget year;

29 (c) increases in health care costs equal to that portion of the actual
30 increase in total health costs for the budget year that is in excess of two
31 percent of total health care costs in the previous budget year, but is not
32 in excess of the product of the total health care costs in the prior year
33 and the average percentage increase of the State Health Benefits
34 Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually
35 determined by the Division of Pensions and Benefits in the Department
36 of the Treasury;

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

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

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

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

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

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

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

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

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

22 b. After the budget of a regional sewerage authority that is subject
23 to the provisions of subsection a. of this section has been approved by
24 the members of the regional sewerage authority, the budget shall be
25 forwarded to the Director of the Division of Local Government Services
26 for review and approval.

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

32 If the director determines that the budget meets the requirements of
33 this subsection, the director shall approve the budget. If the director
34 does not approve the budget, the director shall return the budget to the
35 members of the regional sewerage authority with written information
36 concerning the reasons for the disapproval of the budget.

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

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

42

43 7. Section 8 of P.L.1946, c.138 (C.40:14A-8) is amended to read
44 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
49 charges may be charged to and collected from any person contracting

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

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

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

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

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

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

24 (c) The sewerage authority shall prescribe and from time to time
25 when necessary revise a schedule of service charges, which shall
26 comply with the terms of any contract of the sewerage authority and
27 in any event shall be such that the revenues of the sewerage authority
28 will at all times be adequate to pay all expenses of operation and
29 maintenance of the sewerage system, including reserves, insurance,
30 extensions, and replacements, and to pay punctually the principal of
31 and interest on any bonds and to maintain such reserves or sinking
32 funds therefor as may be required by the terms of any contract of the
33 sewerage authority or as may be deemed necessary or desirable by
34 the sewerage authority. Said schedule shall thus be prescribed and
35 from time to time revised by the sewerage authority after public
36 hearing thereon which shall be held by the sewerage authority at least
37 20 days after notice of the proposed adjustment is mailed to the clerk
38 of each municipality serviced by the authority and publication of
39 notice of the proposed adjustment of the service charges and of the
40 time and place of the public hearing in at least two newspapers of
41 general circulation in the area serviced by the authority. The
42 sewerage authority shall provide evidence at the hearing showing that
43 the proposed adjustment of the service charges is necessary and
44 reasonable, and shall provide the opportunity for cross-examination
45 of persons offering such evidence, and a transcript of the hearing
46 shall be made and a copy thereof shall be available upon request to
47 any interested party at a reasonable fee. The sewerage authority shall
48 likewise fix and determine the time or times when and the place or
49 places where such service charges shall be due and payable and may

1 require that such service charges shall be paid in advance for periods
2 of not more than one year. A copy of such schedule of service
3 charges in effect shall at all times be kept on file at the principal
4 office of the sewerage authority and shall at all reasonable times be
5 open to public inspection.

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

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

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

1 combination of such factors, and may give weight to the
2 characteristics of the water or water services, facilities or products
3 and, as to service outside the district, any other matter affecting the
4 cost of supplying or furnishing the same, including the cost of
5 installation of necessary 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 water
12 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 P.L.2003,
18 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 users,
24 except as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3)
25 and except as provided by section 5 of P.L.2005, c.173 (C.40:14B-
26 22.4), and the amount thereof shall not exceed the actual cost of the
27 physical connection, if made by the authority, plus an amount
28 computed in the following manner to represent a fair payment toward
29 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 development
37 of the system as of the end of the immediately preceding fiscal year
38 of the authority.

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

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

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

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

14 d. The foregoing notwithstanding, no municipal authority shall
15 impose any charges or fees in excess of the cost of water actually
16 used for any sprinkler system required to be installed in any
17 residential health care facility pursuant to the "Health Care Facilities
18 Planning Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and regulations
19 promulgated thereunder or in any rooming or boarding house
20 pursuant to the "Rooming and Boarding House Act of 1979,"
21 P.L.1979, c.496 (C.55:13B-1 et al.) and regulations promulgated
22 thereunder. Nothing herein shall preclude any municipal authority
23 from charging for the actual cost of water main connections, except
24 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and
25 except as provided by section 5 of P.L.2005, c.173 (C.40:14B-22.4).
26 (cf: P.L.2005, c.173, s.3)

27
28 9. N.J.S.40A:26A-10 is amended to read as follows:

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

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

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

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

8

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

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

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

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

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

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

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

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

1 e. Nothing in this section shall preclude a local unit operating a
2 municipal water supply facility from requiring separate dedicated
3 service lines for fire protection. The local unit may require that fire
4 service lines be metered. Nothing in this section shall alter the
5 liability for maintenance and repair of service lines which exists on
6 the effective date of P.L.2003, c.278.
7 (cf: P.L.2003, c.278, s.7)

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

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

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

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

30 (1) a partial fee reduction in the form of a credit for any property
31 that maintains and operates a stormwater management system that
32 complies with the State and local stormwater management standards
33 that were in place at the time the system was approved and that
34 effectively reduces, retains, or treats stormwater onsite;

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

40 (3) an additional partial fee reduction in the form of a credit for
41 any property which has installed and is operating and maintaining
42 green infrastructure that reduces, retains, or treats stormwater onsite
43 and which exceeds any requirements for green infrastructure that may
44 be applicable to that property under any rule or regulation adopted
45 by the Department of Environmental Protection or the local
46 stormwater control ordinance; and

47 (4) an exemption from fees and other charges for land actively
48 devoted to agricultural or horticultural use that is valued, assessed,

1 and taxed pursuant to the "Farmland Assessment Act of 1964,"
2 P.L.1964, c.48 (C.54:4-23.1 et seq.).

3 d. Any county, municipality, or authority that collects fees and
4 charges pursuant to this section shall remit to the State Treasurer
5 annually an amount equal to five percent of all such fees and charges
6 collected, or \$50,000, whichever amount is less. The State Treasurer
7 shall deposit these moneys into the "Clean Stormwater and Flood
8 Reduction Fund" established pursuant to section 17 of P.L.2019, c.42
9 (C.40A:26B-17).

10 e. Except as provided in section 5 of P.L.1983, c.111 (C.40A:4-
11 35.1) or section 1 of P.L.2004, c.87 (C.40A:5A-12.1), as applicable,
12 a county, municipality, or authority shall only use fees and other
13 charges collected pursuant to this section to pay for or recover all or
14 a portion of the cost of the following:

15 (1) initial establishment of a stormwater utility pursuant to
16 P.L.2019, c.42 (C.40A:26B-1 et al.) and ongoing related
17 administrative expenses;

18 (2) capital expenditures, including planning, design, engineering,
19 acquisition, construction, and improvement of a stormwater
20 management system;

21 (3) operation and maintenance expenditures of a stormwater
22 management system;

23 (4) development and implementation of an asset management
24 program for a stormwater management system;

25 (5) development and implementation of a stormwater
26 management plan and stormwater control ordinances pursuant to
27 section 1 of P.L.1981, c.32 (C.40:55D-93);

28 (6) any action required pursuant to any New Jersey Pollutant
29 Discharge Elimination System permit;

30 (7) development and implementation of any long-term control
31 plan to mitigate combined sewer overflows pursuant to State or
32 federal law, rule, regulation, permit, or consent decree;

33 (8) monitoring, inspection, and enforcement activities to carry
34 out the purposes of P.L.2019, c.42 (C.40A:26B-1 et al.);

35 (9) public education and outreach related to stormwater
36 management; and

37 (10) any other purpose related to stormwater management as may
38 be authorized by the department, the Division of Local Government
39 Services in the Department of Community Affairs, or the Local
40 Finance Board pursuant to rules, regulations, or permits.

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

46 g. An authority that establishes a stormwater utility may, in its
47 discretion, adopt a resolution authorizing the authority to enter into
48 an agreement requiring the total sum of delinquent payments for
49 stormwater fees and charges, plus any interest and penalties, to be

1 paid in equal monthly installments, the amounts of which shall be
2 large enough to satisfy in full the total sum of delinquent payments
3 plus any interest and penalties. The length of the agreement shall not
4 exceed five years in duration. The agreement shall be conditioned
5 upon timely payment of the specified installments and of all current
6 service charges. In case any such installment of arrears or any current
7 service charges are not paid within thirty days after the date when the
8 same is due and payable, then such agreement shall be void and the
9 authority shall file a certification with the municipal tax collector to
10 establish a lien on the parcel of real property for the unpaid balance.
11 The authority shall not be authorized to enter into more than one
12 installment payment agreement for a parcel of property, except that
13 one additional agreement may be authorized by the authority for
14 payment of service charges that became delinquent during a public
15 health emergency or state of emergency sufficiently impacting the
16 service area of the authority. A parcel of property with one such
17 additional agreement shall not be eligible for a third agreement for
18 payment of subsequent service charges becoming delinquent during
19 a public health emergency or state of emergency.

20 h. Notwithstanding subsection g. of this section to the contrary,
21 an authority establishing a stormwater utility may adopt a resolution
22 authorizing the authority to modify an existing agreement to allow
23 for a temporary reduction in monthly installments, an increase in the
24 duration of the agreement, or both, if a residential customer can
25 demonstrate that their financial circumstances have changed
26 significantly because of factors beyond the residential customer's
27 control. A modified agreement shall require the total sum of
28 delinquent payments, plus any interest and penalties, to be satisfied
29 in full. A modified agreement allowing a residential customer to
30 temporarily reduce a monthly installment obligation shall not require
31 a payment in any given month that is more than 50 percent lower than
32 the highest monthly installment amount set forth in the modified
33 agreement. The duration of the agreement may not be extended
34 beyond five years from the date on which the agreement was
35 originally executed. The agreement shall be conditioned upon timely
36 payment of the specified installments and of all current stormwater
37 fees and charges. In case any such installment of arrears or any
38 current stormwater fees and charges are not paid within thirty days
39 after the date when the same is due and payable, then such agreement
40 shall be void and the authority shall file a certification with the
41 municipal tax collector to establish a lien on the parcel of real
42 property for the unpaid balance.

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

44

45 12. Section 6 of P.L.2021, c.184 (C.40A:4-35.2) is amended to
46 read as follows:

47 6. a. A local unit shall be required to conduct a periodic study of
48 the adequacy and reasonableness of the rates, fees, rents, and charges
49 for a water system that the local unit owns or operates through a

1 utility. The Local Finance Board in the Department of Community
2 Affairs shall adopt, pursuant to the "Administrative Procedure Act,"
3 P.L.1968, c.410 (C.52:14B-1 et seq.), the procedures, requirements,
4 and frequency of the study. Each completed study shall be submitted
5 to the Director of the Division of Local Government Services in the
6 Department of Community Affairs along with the annual budget of
7 the local unit. The Local Finance Board in the Department of
8 Community Affairs shall adopt, pursuant to the "Administrative
9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the procedures
10 and requirements for a rate study conducted by a local unit seeking
11 approval to fund from its current fund or a utility current fund, as
12 applicable, a reduction established pursuant to subsection a. of
13 section 1 or subsection a. of section 2 of P.L. , c. (C. or C.)
14 (pending before the Legislature as this bill), as applicable.

15 b. The director may summon appropriate officials of the local
16 unit to a hearing before the Local Finance Board if the director
17 determines that the rates, fees, rents, or charges for a water system
18 that the local unit owns or operates through a utility may not be
19 adequate or reasonable as determined by the study conducted
20 pursuant to subsection a. of this section, or if the local unit fails to
21 conduct a study pursuant to subsection a. of this section. The Local
22 Finance Board may require the production of papers, documents,
23 witnesses, or information and may take or cause to be made an audit
24 or investigation of the circumstances with respect to which the
25 hearing was called. After the hearing, the Local Finance Board shall
26 have the power to order the local unit to adjust the utility's water
27 system-related rents, rates, fees, or charges, or take such other action
28 as the Local Finance Board deems appropriate to ensure the integrity
29 of the utility's water infrastructure, and this order shall be valid and
30 enforceable notwithstanding any provision of R.S.48:2-1 et seq. to
31 the contrary.

32 (cf: P.L.2021, c.184, s.6)

33

34 13. Section 11 of P.L.2021, c.184 (C.40A:5A-10.1) is amended
35 to read as follows:

36 11. a. A municipal utilities authority with a water supply
37 operation shall be required to conduct a periodic study of the
38 adequacy and reasonableness of the rates, fees, rents, or charges for
39 the operation. The Local Finance Board in the Department of
40 Community Affairs shall adopt, pursuant to the "Administrative
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the
42 procedures, requirements, and frequency of the study. Each
43 completed study shall be submitted to the Director of the Division of
44 Local Government Services in the Department of Community Affairs
45 along with the annual budget of the authority. The Local Finance
46 Board in the Department of Community Affairs shall adopt, pursuant
47 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
48 et seq.), the procedures and requirements for a rate study conducted
49 by a municipal utilities authority or a county or municipal sewerage

1 authority seeking approval to fund from its current fund a reduction
2 established pursuant to subsection a. of section 1 or subsection a. of
3 section 2 of P.L. , c. (C. or C.) (pending before the
4 Legislature as this bill), as applicable.

5 b. The director may summon appropriate officials of the
6 authority to a hearing before the Local Finance Board if the director
7 determines that the authority's rates, fees, rents, or charges may not
8 be adequate or reasonable as supported by a study conducted
9 pursuant to subsection a. of this section, or if the authority fails to
10 conduct a study pursuant to subsection a. of this section. The Local
11 Finance Board may require the production of papers, documents,
12 witnesses, or information and may take or cause to be made an audit
13 or investigation of the circumstances with respect to which the
14 hearing was called. After the hearing, the Local Finance Board shall
15 have the power to order the authority to adjust the rents, rates, fees,
16 or charges for its water supply operation, or take such other action as
17 the Local Finance Board deems appropriate to ensure the integrity of
18 the water infrastructure owned by the authority, and this order shall
19 be valid and enforceable notwithstanding any provision of R.S.48:2-
20 1 et seq. to the contrary.
21 (cf: P.L.2021, c.184, s.11)

22
23 14. Section 6 of P.L. 2020, c.39 (C.40:62-83.2) is amended to
24 read as follows:

25 6. Notwithstanding the provisions of any law to the contrary, if
26 the Governor has declared a public health emergency pursuant to the
27 "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-
28 1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251
29 (C.App.A:9-33 et seq.), or both, in response to a flood, hurricane,
30 superstorm, tornado, natural or other disaster, or public health
31 emergency, then, for the duration of the public health emergency,
32 state of emergency, or both, and for a period up to 90 days after the
33 public health emergency, state of emergency, or both, are no longer
34 in effect, any municipality that owns and operates its water system as
35 a single utility, its sewer system as a single utility, or its water and
36 sewer systems as one utility or that furnishes a supply of water or
37 sewerage service, or both, to the inhabitants of another municipality,
38 may, in its discretion, engage in any combination of the following:
39 (1) not charge interest on the delinquent payment; (2) not place a lien
40 on such parcel of real property for the unpaid balance for any service
41 charge and all interest accruing thereon; or (3) not discontinue
42 service of any property for the failure to pay any amount owing. A
43 **【sewerage authority】** municipality shall exercise the discretionary
44 authority it is provided under this subsection consistently to all
45 properties, or to all properties of the same use type or other
46 appropriate category.
47 (cf: P.L.2020, c.39, s.6)

1 15. Section 21 of P.L.1946, c.138 (C.40:14A-21) is amended to
2 read as follows:

3 21. (a) In the event that a service charge of any sewerage
4 authority with regard to any parcel of real property shall not be paid
5 as and when due, interest shall accrue and be due to the sewerage
6 authority on the unpaid balance at the rate of 1 1/2 percent per month
7 until such service charge, and the interest thereon, shall be fully paid
8 to the sewerage authority.

9 (b) In the event that a service charge of any sewerage authority
10 with regard to any parcel of real property owned by any person other
11 than the State or an agency or subdivision thereof shall not be paid
12 as and when due, the unpaid balance thereof and all interest accruing
13 thereon shall be a lien on such parcel. Such lien shall be superior and
14 paramount to the interest in such parcel of any owner, lessee, tenant,
15 mortgagee or other person except the lien of municipal taxes and
16 shall be on a parity with and deemed equal to the lien on such parcel
17 of the municipality where such parcel is situate for taxes thereon due
18 in the same year and not paid when due. Such lien shall not bind or
19 affect a subsequent bona fide purchaser of such parcel for a valuable
20 consideration without actual notice of such lien, unless the sewerage
21 authority shall have filed in the office of the collector or other officer
22 of said municipality charged with the duty of enforcing municipal
23 liens on real property a statement showing the amount and due date
24 of such unpaid balance and identifying such parcel, which
25 identification may be sufficiently made by reference to the
26 assessment map of said municipality. The information shown in such
27 statement shall be included in any certificate with respect to said
28 parcel thereafter made by the official of said municipality vested with
29 the power to make official certificates of searches for municipal liens.
30 Whenever such service charge and any subsequent service charge
31 with regard to such parcel and all interest accrued thereon shall have
32 been fully paid to the sewerage authority, such statement shall be
33 promptly withdrawn or cancelled by the sewerage authority.

34 (c) In the event that a service charge of any sewerage authority
35 with regard to any parcel of real property shall not be paid as and
36 when due, the sewerage authority may, in its discretion, enter upon
37 such parcel and cause the connection thereof leading directly or
38 indirectly to the sewerage system to be cut and shut off until such
39 service charge and any subsequent service charge with regard to such
40 parcel and all interest accrued thereon shall be fully paid to the
41 sewerage authority.

42 (d) In the event that a service charge of any sewerage authority
43 with regard to any parcel of real property shall not be paid as and
44 when due, the sewerage authority may, in accordance with section
45 twenty-six of this act, cause the supply of water to such parcel to be
46 stopped or restricted until such service charge and any subsequent
47 service charge with regard to such parcel and all interest accrued
48 thereon shall be fully paid to the sewerage authority. If for any
49 reason such supply of water shall not be promptly stopped or

1 restricted as required by section twenty-six of this act, the sewerage
2 authority may itself shut off or restrict such supply and, for that
3 purpose, may enter on any lands, waters or premises of any county,
4 municipality or other person. The supply of water to such parcel
5 shall, notwithstanding the provisions of this subsection, be restored
6 or increased if the State Department of Health, upon application of
7 the local board of health or health officer of the municipality where
8 such parcel is situate, shall after public hearing find and shall certify
9 to the sewerage authority that the continuance of such stopping or
10 restriction of the supply of water endangers the health of the public
11 in such municipality.

12 (e) The collector or other officer of every municipality charged
13 by law with the duty of enforcing municipal liens on real property
14 shall enforce, with and as any other municipal lien on real property
15 in such municipality, all service charges and the lien thereof shown
16 in any statement filed with him by any sewerage authority pursuant
17 to subsection (b) of this section, and shall pay over to the sewerage
18 authority the sums or a pro rata share of the sums realized upon such
19 enforcement or upon liquidation of any property acquired by the
20 municipality by virtue of such enforcement.

21 (f) In the event that any service charge of a sewerage authority
22 shall not be paid as and when due, the unpaid balance thereof and all
23 interest accrued thereon, together with attorney's fees and costs, may
24 be recovered by the sewerage authority in a civil action, and any lien
25 on real property for such service charge and interest accrued thereon
26 may be foreclosed or otherwise enforced by the sewerage authority
27 by action or suit in equity as for the foreclosure of a mortgage on
28 such real property.

29 (g) All rights and remedies granted by this act for the collection
30 and enforcement of service charges shall be cumulative and
31 concurrent.

32 (h) Notwithstanding the provisions of this section, if the
33 Governor has declared a public health emergency pursuant to the
34 "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-
35 1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251
36 (C.App.A:9-33 et seq.), or both, in response to a flood, hurricane,
37 superstorm, tornado, natural or other disaster, or public health
38 emergency, then, for the duration of the public health emergency,
39 state of emergency, or both and for a period up to 90 days after the
40 public health emergency, state of emergency, or both, are no longer
41 in effect, the sewerage authority may, in its discretion, engage in any
42 combination of the following: (1) not charge interest on the
43 delinquent payment; (2) not place a lien on such parcel of real
44 property for the unpaid balance for any service charge and all interest
45 accruing thereon; or (3) not discontinue service of any property for
46 the failure to pay any amount owing. A sewerage authority shall
47 exercise the discretionary authority it is provided under this
48 subsection consistently to all properties, or to all properties of the
49 same use type or other appropriate category.

1 (i) Notwithstanding any provision of this section to the contrary,
2 a sewerage authority may, in its discretion, adopt a resolution
3 authorizing the authority to enter into an agreement requiring the
4 total sum of delinquent payments, plus interest and penalties, to be
5 paid in equal monthly installments, the amount of which shall be
6 large enough to satisfy in full the total sum of delinquent payments
7 plus interest and penalties. The length of the agreement shall not
8 exceed five years in duration. The agreement shall be conditioned
9 upon timely payment of the specified installments and of all current
10 service charges. In case any such installment of arrears or any current
11 service charges are not paid within 30 days after the date when the
12 same is due and payable, then such agreement shall be void and the
13 sewerage authority shall file a certification with the municipal tax
14 collector to establish a lien on the parcel of real property for the
15 unpaid balance. The sewerage authority shall not be authorized to
16 enter into more than one installment payment agreement for a parcel
17 of property, except that one additional agreement may be authorized
18 by the authority for payment of service charges that became
19 delinquent during a public health emergency or state of emergency
20 substantially impacting the service area of the authority. A parcel of
21 property with one such additional agreement shall not be eligible for
22 a third agreement for payment of subsequent service charges
23 becoming delinquent during a public health emergency or state of
24 emergency.

25 (j) Notwithstanding subsection (i) of this section to the contrary,
26 a sewerage authority may adopt a resolution authorizing the authority
27 to modify an existing agreement to allow for a temporary reduction
28 in monthly installments, an increase in the duration of the agreement,
29 or both, if a residential customer can demonstrate that their financial
30 circumstances have changed significantly because of factors beyond
31 the residential customer's control. A modified agreement shall
32 require the total sum of delinquent payments, plus any interest and
33 penalties, to be satisfied in full. A modified agreement allowing a
34 residential customer to temporarily reduce a monthly installment
35 obligation shall not require a payment in any given month that is
36 more than 50 percent lower than the highest monthly installment
37 amount set forth in the modified agreement. The duration of the
38 agreement shall not be extended beyond five years from the date on
39 which the agreement was originally executed. The agreement shall
40 be conditioned upon timely payment of the specified installments and
41 of all current service charges. In case any such installment of arrears
42 or any current service charges are not paid within 30 days after the
43 date when the same is due and payable, then such agreement shall be
44 void and the sewerage authority shall file a certification with the
45 municipal tax collector to establish a lien on the parcel of real
46 property for the unpaid balance.

47 (cf: P.L.2020, c.39, s.1)

1 16. Section 42 of P.L.1957, c.183 (C.40:14B-42) is amended to
2 read as follows:

3 42. a. In the event that a service charge of any municipal authority
4 with regard to any parcel of real property owned by any person other
5 than the State or an agency or subdivision thereof shall not be paid
6 as and when due, the unpaid balance thereof and all interest accruing
7 thereon shall be a lien on such parcel. Such lien shall be superior and
8 paramount to the interest in such parcel of any owner, lessee, tenant,
9 mortgagee or other person except the lien of municipal taxes and
10 shall be on a parity with and deemed equal to the lien on such parcel
11 of the municipality where such parcel is situate for taxes thereon due
12 in the same year and not paid when due. Such lien shall not bind or
13 affect a subsequent bona fide purchaser of such parcel for a valuable
14 consideration without actual notice of such lien, unless the municipal
15 authority shall have filed in the office of the collector or other officer
16 of said municipality charged with the duty of enforcing municipal
17 liens on real property a statement showing the amount and due date
18 of such unpaid balance and identifying such parcel, which
19 identification may be sufficiently made by reference to the
20 assessment map of said municipality. The information shown in such
21 statement shall be included in any certificate with respect to said
22 parcel thereafter made by the official of said municipality vested with
23 the power to make official certificates of searches for municipal liens.
24 Whenever such service charge and any subsequent service charge
25 with regard to such parcel and all interest accrued thereon shall have
26 been fully paid to the municipal authority, such statement shall be
27 promptly withdrawn or canceled by the municipal authority.

28 b. Notwithstanding the provisions of subsection a. of this section
29 regarding delinquent payments, if the Governor has declared a public
30 health emergency pursuant to the "Emergency Health Powers Act,"
31 P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant
32 to P.L.1942, c.251 (C.App.A:9-33 et seq.), or both, in response to a
33 flood, hurricane, superstorm, tornado, natural or other disaster, or
34 public health emergency that the municipal authority has
35 experienced, then, for the duration of the public health emergency,
36 state of emergency, or both and for a period up to 90 days after the
37 public health emergency, state of emergency, or both, are no longer
38 in effect, the municipal authority may, in its discretion, refrain from
39 placing a lien on such parcel of real property for the unpaid balance
40 for any service charge and all interest accruing thereon. A municipal
41 authority shall exercise the discretionary authority it is provided
42 under this subsection consistently to all properties, or to all properties
43 of the same use type or other appropriate category.

44 c. Notwithstanding the provisions of this section or section 41
45 of P.L.1957, c.183 (C.40:14B-41), a municipal authority may, in its
46 discretion, adopt a resolution authorizing the authority to enter into
47 an agreement requiring the total sum of delinquent payments, plus
48 any interest and penalties, to be paid in equal monthly installments,
49 the amounts of which shall be large enough to satisfy in full the total

1 sum of delinquent payments plus any interest and penalties. The
2 length of the agreement shall not exceed five years in duration. The
3 agreement shall be conditioned upon timely payment of the specified
4 installments and of all current service charges. In case any such
5 installment of arrears or any current service charges are not paid
6 within 30 days after the date when the same is due and payable, then
7 such agreement shall be void and the municipal authority shall file a
8 certification with the municipal tax collector to establish a lien on the
9 parcel of real property for the unpaid balance. The municipal
10 authority shall not be authorized to enter into more than one
11 installment payment agreement for a parcel of property, except that
12 one additional agreement may be authorized by the authority for
13 payment of service charges that became delinquent during a public
14 health emergency or state of emergency substantially impacting the
15 service area of the authority. A parcel of property with one such
16 additional agreement shall not be eligible for a third agreement for
17 payment of subsequent service charges becoming delinquent during
18 a public health emergency or state of emergency.

19 d. Notwithstanding subsection c. of this section to the contrary,
20 a municipal authority may adopt a resolution authorizing the
21 authority to modify an existing agreement to allow for: a temporary
22 reduction in monthly installments, an increase in the duration of the
23 agreement, or both, if a residential customer can demonstrate that
24 their financial circumstances have changed significantly because of
25 factors beyond the residential customer's control. A modified
26 agreement shall require the total sum of delinquent payments, plus
27 any interest and penalties, to be satisfied in full. When a modified
28 agreement allows a residential customer to temporarily reduce the
29 customer's monthly installment obligation, no payment in any given
30 month shall be more than 50 percent lower than the highest monthly
31 installment amount set forth in the modified agreement. The duration
32 of the agreement shall not be extended beyond five years from the
33 date on which the agreement was originally executed. The agreement
34 shall be conditioned upon timely payment of the specified
35 installments and of all current service charges. In case any such
36 installment of arrears or any current service charges are not paid
37 within 30 days after the date when the same is due and payable, then
38 such agreement shall be void and the municipal authority shall file a
39 certification with the municipal tax collector to establish a lien on the
40 parcel of real property for the unpaid balance.

41 (cf: P.L.2020, c.39, s.3)

42

43 17. R.S.54:5-19 is amended to read as follows:

44 54:5-19. The term "collector" as hereinafter used includes any
45 such officer, and the term "officer" includes the collector.

46 A municipality shall have the authority to conduct both standard
47 and accelerated tax sales.

48 When unpaid taxes or any municipal lien, or part thereof, on real
49 property remain in arrears at the close of the fiscal year, the collector

1 or other officer charged by law in the municipality with that duty,
2 shall enforce the lien by selling the property in the manner set forth
3 in this article by holding a standard tax sale in the following fiscal
4 year.

5 When unpaid taxes or any municipal lien, or part thereof, on real
6 property remains in arrears on the 11th day of the eleventh month in
7 the fiscal year when the taxes or lien became in arrears, the collector
8 or other officer charged by law in the municipality with that duty,
9 shall enforce the lien by selling the property in the manner set forth
10 in this article by conducting an accelerated tax sale by selling the
11 property in the manner set forth in this article, provided that the sale
12 is conducted and completed no earlier than in the last month of the
13 fiscal year. Whenever the due date for the fourth quarter property tax
14 installment payment has been extended for real property pursuant to
15 the provisions of subsection a. of R.S.54:4-67, a municipality shall
16 not conduct an accelerated tax sale with respect to that installment
17 pursuant to this section.

18 In either a standard or an accelerated tax sale, the municipality
19 may by resolution direct that when unpaid taxes or other municipal
20 liens or charges, or part thereof, are in arrears as of the 11th day of
21 the eleventh month of the fiscal year, such sale shall include only
22 such unpaid taxes or other municipal liens or charges as were in
23 arrears in the fiscal year designated in such resolution, and may by
24 resolution, either general or special, direct that there shall be omitted
25 from such sale any or all such unpaid taxes, and other municipal liens,
26 or parts thereof, on real property, upon which regular, equal monthly
27 installment payments are being made, in pursuance to such
28 agreement as may be authorized by said resolution between the
29 collector and the owner or person interested in the property upon
30 which such delinquent taxes may be due; provided, that said
31 agreement shall require payment of such installment payments in
32 amounts large enough to pay in full all delinquent taxes, assessments
33 and other municipal liens held by the municipality, in not more than
34 five years from the date of such agreement; provided, that the
35 extension of time for payment of such arrearages herein authorized
36 shall not apply to any parcel of property which prior thereto has been
37 included in any plan theretofore adopted by any municipality of this
38 State under and pursuant to the provisions of any public statute of
39 this State whereunder prior extensions for the payment of delinquent
40 taxes were authorized; provided further, that the right of any person
41 interested in such property to pay such arrears in such installments
42 shall be conditioned on the prompt payment of the installments of
43 taxes for the current year in which such agreement is made, and all
44 subsequent taxes, assessments and other municipal liens imposed or
45 becoming a lien thereafter, including all installments thereafter
46 payable on assessments theretofore levied, and also the prompt
47 payment of all installments of arrears as hereinbefore authorized; and
48 provided further, that in case any such installment of arrears or any
49 new taxes, assessments or other liens are not promptly paid, that is to

1 say, within thirty days after the date when the same is due and
2 payable, then such agreement shall be void, and in any such case the
3 collector, or other officer charged by law with that duty, shall proceed
4 to enforce such lien by selling in the manner in this article provided.

5 If a parcel of property is included in an installment payment plan
6 pursuant to law, and the Governor has declared a public health
7 emergency pursuant to the "Emergency Health Powers Act,"
8 P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant
9 to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, in response to a
10 flood, hurricane, superstorm, tornado, natural or other disaster, or
11 public health emergency, the governing body of a local unit may by
12 resolution, either general or special, authorize one additional
13 agreement for payment of water, sewer, stormwater, or electric
14 charges that became delinquent during a public health emergency or
15 state of emergency substantially impacting the municipality. A
16 parcel of property with one such additional agreement shall not be
17 eligible for a third agreement for payment of subsequent service
18 charges becoming delinquent during a public health emergency or
19 state of emergency. The agreement shall be conditioned upon timely
20 payment of the specified installments and of all current property
21 taxes and other municipal assessments, liens, and charges. In case
22 any such installment of arrears or any current property taxes and
23 other municipal assessments, liens, and charges are not paid within
24 30 days after the date when the same is due and payable, then such
25 agreement shall be void and the municipal tax collector, or other
26 officer charged by law with that duty, shall proceed to enforce such
27 lien pursuant to law.

28 A municipality may adopt a resolution, either general or special,
29 authorizing the modification of an existing agreement to allow for an
30 increase in the duration of the agreement, a temporary reduction in
31 the portion of monthly installments attributable to delinquent water,
32 sewer, stormwater, and electric charges, or both, if a residential
33 customer can demonstrate that their financial circumstances have
34 changed significantly because of factors beyond the residential
35 customer's control. A modified agreement shall require the total sum
36 of delinquent payments, plus any interest and penalties, to be
37 satisfied in full. When a modified agreement allows a residential
38 customer to temporarily reduce their monthly installment obligation,
39 no payment in any given month shall be more than 50 percent lower
40 than the highest monthly installment amount set forth in the modified
41 agreement. The duration of the agreement shall not be extended
42 beyond five years from the date on which the agreement was
43 originally executed. The agreement shall be conditioned upon timely
44 payment of the specified installments and of all current property
45 taxes and other municipal assessments, liens, and charges. In case
46 any such installment of arrears or any current property taxes and
47 other municipal assessments, liens, and charges are not paid within
48 30 days after the date when the same is due and payable, then such
49 agreement shall be void and in any such case the collector, or other

1 officer charged by law with that duty, shall proceed to enforce such
2 lien by selling in the manner in this article provided.

3 (cf: P.L.2015, c.203, s.2)

4

5 18. There is appropriated from the General Fund to the Division
6 of Local Government Services in the Department of Community
7 Affairs \$200,000 to fund the expenses of implementing the rate
8 studies required pursuant to sections 6 and 11 of P.L. 2021, c.184
9 (C.40A:4-35.2 and C.40A:5A-10.1), and P.L. , c. (C.) (pending
10 before the Legislature as this bill).

11

12 19. This act shall take effect immediately, but any rate reduction
13 shall remain inoperative until the first day of the fourth month next
14 following the date of enactment. The Local Finance Board may
15 adopt, pursuant to the "Administrative Procedure Act," P.L.1968,
16 c.410 (C.52:14B-1 et seq.), such rules and regulation as may be
17 necessary to effectuate the purposes of this act.

18

19

20 STATEMENT

21

22 This bill would permit certain local units and authorities to reduce
23 water, sewerage, and stormwater fees, and other charges for low-
24 income persons.

25 Specifically, under the bill, a local unit or authority that operates
26 a water, sewerage, or stormwater management system may reduce the
27 fees or other charges it collects from a person residing in its district
28 or service area, provided that certain requirements are met pursuant
29 to the bill.

30 A local unit or authority that establishes a reduction under the bill
31 is required to adopt procedures for determining a ratepayer's
32 eligibility for a reduction. The bill also requires a local unit or
33 authority to advertise the availability of the reduction in the bills
34 submitted to residents in the district or service area, or in special
35 periodical mailings to residents in the district or service area. The
36 bill would require an applicant seeking a reduction to provide
37 information and documentation concerning the applicant's identity,
38 income, household, and ownership or tenancy.

39 The bill provides that a local unit or authority may not offer rate
40 reductions to low-income residents unless the local unit or authority
41 has a sufficient amount of funds available to set-aside and offset the
42 projected loss in revenues attributable to providing for low-income
43 reductions under the bill. The bill imposes deadlines for local units
44 and authorities to accept applications for reductions under the bill.
45 However, the bill allows a local unit or authority to deviate from the
46 statutory application deadlines if the local unit or authority seeks and
47 obtains approval from the Director of the Division of Local
48 Government Services to fund reductions established under the bill
49 from a specific fund. The bill would require the director to approve

1 a local unit's or authority's application if the local unit or authority
2 can demonstrate that, based on a rate study conducted under the bill,
3 the reduction will not result in an unreasonable increase in average
4 residential rates, rents, fees, and charges or the authority having
5 insufficient funds to maintain the integrity of its system
6 infrastructure.

7 The bill is to require the Local Finance Board to adopt procedures
8 and requirements for local units and authorities to conduct rate
9 studies necessary for them to seek approval to fund a low-income rate
10 reduction program from a specific fund.

11 The bill authorizes a regional sewerage authority to increase
12 charges in excess of the two percent statutory cap, subject to Local
13 Finance Board approval, in order to allow for reasonable increases in
14 fees and other charges that are necessary to compensate for
15 reductions provided for low-income persons under the bill.

16 Additionally, the bill is to allow certain local units and authorities
17 to enter into agreements with delinquent ratepayers for them to make
18 full payment of their delinquent balance, plus interest and penalties,
19 in equal monthly installments, over a period not to exceed five years
20 in duration. The bill is to also authorize certain local units and
21 authorities to modify such agreements to allow for: temporary
22 reductions in monthly installments, increases in the duration of
23 agreements (not to exceed five years from the date of the original
24 agreement), or both, for residential customers who can demonstrate
25 that their financial circumstances have changed significantly because
26 of factors beyond their control.

27 Finally, the bill is to appropriate, from the General Fund to the
28 Division of Local Government Services, \$200,000 to fund the
29 expenses of implementing the rate studies required under the bill.