

# SENATE, No. 286

## STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**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**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning certain water and sewerage service rates and  
2 stormwater utility fees, amending and supplementing various  
3 parts 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  
12 permitted by federal law, annually establish within its district rates  
13 or schedules which provide for a reduction of the periodic rents,  
14 rates, fees, or other charges for the use or services of the sewerage  
15 system which are charged to or collected from a person residing in  
16 the district, provided that:

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

19 (2) the 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  
25 Assistance Program or a similar program administered by the  
26 department for assistance with water bills, sewer bills, or both, or in  
27 the absence of such a program, the Low Income Home Energy  
28 Assistance Program 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,  
40 and shall advertise the availability of the reduction in the bills  
41 submitted to residents in the district for periodic rents, rates, fees,  
42 or other charges for the use or services of the sewerage system, or  
43 in special periodic mailings to residents in the district. For  
44 purposes of establishing eligibility, a resident shall, at minimum,

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

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

14 d. Notwithstanding subsection c. of this section to the contrary,  
15 a county or municipal sewerage authority may request approval  
16 from the Director of the Division of Local Government Services to  
17 fund a reduction established pursuant to subsection a. of this section  
18 from its enterprise fund. The director shall approve the application  
19 if the authority can demonstrate that, based on a rate study  
20 conducted pursuant to section 11 of P.L. 2021, c.184 (C.40A:5A-  
21 10.1), the reduction will not result in:

- 22 (1) an unreasonable increase in average residential rates, rents,  
23 fees, and charges; or  
24 (2) the authority having insufficient funds to maintain the  
25 integrity of its system infrastructure.

26 e. As used in this section:

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

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

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

- 47 (1) the person is the owner or tenant of a dwelling unit in the  
48 district and the person resides in the dwelling unit;

1 (2) the household income for the person who resides in the  
2 dwelling unit is at or below a percentage of the most recent federal  
3 poverty guidelines, which percentage shall be established by the  
4 municipal authority, but shall be no greater than the maximum  
5 threshold established by the Department of Community Affairs for  
6 the Low Income Household Water Assistance Program or a similar  
7 program administered by the department for assistance with water  
8 bills, sewer bills, or both, or in the absence of such a program, the  
9 Low Income Home Energy Assistance Program administered by the  
10 department;

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

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

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

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

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

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

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

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

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

8 e. As used in this section:

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

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

18

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

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

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

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

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

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

47 b. A local unit operating a county or municipal sewerage  
48 facility that establishes a reduction pursuant to subsection a. of this

1 section shall adopt procedures for establishing eligibility and  
2 obtaining a reduction, and shall advertise the availability of the  
3 reduction in the bills submitted to residents in the district for  
4 periodic rents, rates, fees, or other charges for the use or services of  
5 the sewerage system, or in special periodic mailings to residents in  
6 the district. For purposes of establishing eligibility, a resident shall,  
7 at minimum, provide information and documentation concerning  
8 identity, income, household, and ownership or tenancy. The annual  
9 application deadline shall be established no later than March 15th,  
10 or October 15th in the case of a municipality with a State Fiscal  
11 Year budget cycle, unless the local unit has obtained approval of an  
12 application made pursuant to subsection d of this section.

13 c. The provisions of subsections a. and b. of this section shall  
14 apply only if a local unit operating a county or municipal sewerage  
15 facility determines that, with regard to its annual budget, there is a  
16 sufficient amount of undesignated fund balance in the local unit's  
17 budget or, if the local unit operates the county or municipal  
18 sewerage facility as a sewer utility or as part of a combined water  
19 and sewer utility, the utility budget available to be set aside and  
20 designated to offset the projected loss in revenues that may be  
21 attributable to providing a reduction permitted pursuant to  
22 subsection a. of this section.

23 d. Notwithstanding subsection c. of this section to the contrary,  
24 a local unit operating a county or municipal sewerage facility may  
25 request approval from the Director of the Division of Local  
26 Government Services to use their current fund or, if the local unit  
27 operates the county or municipal sewerage facility as a sewer utility  
28 or as part of a combined water and sewer utility, the operating fund  
29 of the utility to offset the projected loss in revenues that may be  
30 attributable to providing a reduction permitted pursuant to  
31 subsection a. of this section. The director shall approve the  
32 application if the local unit can demonstrate that, based on a rate  
33 study conducted pursuant to section 6 of P.L.2021, c.184 (C.40A:4-  
34 35.2) the proposed reduction will not result in either:

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

37 (2) insufficient funds to ensure the integrity of the sewerage  
38 system infrastructure.

39 e. As used in this section:

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

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

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

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

12       (2) the household income for the person who resides in the  
13 dwelling unit is at or below a percentage of the most recent federal  
14 poverty guidelines, which percentage shall be established by the  
15 local unit operating a county or municipal water supply facility, but  
16 shall be no greater than the maximum threshold established by the  
17 Department of Community Affairs for the Low Income Household  
18 Water Assistance Program or a similar program administered by the  
19 department for assistance with water bills, sewer bills, or both, or in  
20 the absence of such a program, the Low Income Home Energy  
21 Assistance Program administered by the department;

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

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

26       (5) the person does not receive a reduction or total abatement of  
27 the periodic rents, rates, fees, or other charges under section 7 of  
28 P.L.1994, c.78 (C.40A:31-10.1) offered by the local unit.

29       b. A local unit operating a county or municipal water supply  
30 facility that establishes a reduction pursuant to subsection a. of this  
31 section shall adopt procedures for establishing eligibility and  
32 obtaining a reduction, and shall advertise the availability of the  
33 reduction in the bills submitted to residents in the district for  
34 periodic rents, rates, or other charges for water supply service, or in  
35 special periodic mailings to residents in the district. For purposes  
36 of establishing eligibility, a resident shall, at minimum, provide  
37 information and documentation concerning identity, income,  
38 household, and ownership or tenancy. The annual application  
39 deadline shall be established no later than March 15th, or October  
40 15th in the case of a municipality with a State Fiscal Year budget  
41 cycle, unless the local unit has obtained approval of an application  
42 made pursuant to subsection d of this section.

43       c. The provisions of subsections a. and b. of this section shall  
44 apply only if a local unit operating a county or municipal water  
45 supply facility determines that, with regard to its annual budget,  
46 there is a sufficient amount of undesignated fund balance in the  
47 local unit's budget or, if the local unit operates a county or  
48 municipal water facility as a water utility or as part of a combined

1 water and sewer utility, the utility budget available to be set aside  
2 and designated to offset the projected loss in revenues that may be  
3 attributable to providing a reduction permitted pursuant to  
4 subsection a. of this section.

5 d. Notwithstanding subsection c. of this section to the contrary,  
6 a local unit operating a county or municipal water supply facility  
7 may request approval from the Director of the Division of Local  
8 Government Services to use their current fund or, if the local unit  
9 operates the county or municipal water facility as a water utility or  
10 as part of a combined water and sewer utility, the operating fund of  
11 the utility budget to offset the projected loss in revenues that may  
12 be attributable to providing a reduction permitted pursuant to  
13 subsection a. of this section. The director shall approve the  
14 application if the local unit can demonstrate that, based on a rate  
15 study conducted pursuant to section 6 of P.L.2021, c.184 (C.40A:4-  
16 35.2) the proposed reduction will not result in either an  
17 unreasonable increase in the average residential rates, rents, fees  
18 and charges, or insufficient funds to ensure the integrity of its  
19 system infrastructure. If the local unit has already completed a rate  
20 study pursuant to section 6 of P.L.2021, c.184 (C.40A:4-35.2)  
21 within the period required by regulations adopted by the Local  
22 Finance Board, the local unit may use that study in its application to  
23 the director.

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  
30 residing with the owner or tenant such that the owner or tenant,  
31 together with the individual or group of individuals, live together as  
32 one economic unit for whom sewer service is customarily provided  
33 in common.

34

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

42 (1) the person is the owner or tenant of a dwelling unit in the  
43 stormwater utility’s service area and the person resides in the  
44 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 county, municipality, or authority, but shall be no greater than the



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

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

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

11 b. A county, municipality, or authority that establishes a  
12 reduction in fees and other charges pursuant to subsection a. of this  
13 section shall adopt procedures for establishing eligibility and  
14 obtaining a reduction, and shall advertise the availability of the  
15 reduction in the bills submitted to residents in the stormwater  
16 utility's service area for fees and other charges for stormwater  
17 management, or in special periodic mailings to residents in the  
18 stormwater utility's service area. For purposes of establishing  
19 eligibility, a resident shall, at minimum, provide information and  
20 documentation concerning identity, income, household, and  
21 ownership or tenancy. The annual application deadline shall be  
22 established no later than March 15th, or October 15th in the case of  
23 a municipality with a State Fiscal Year budget cycle, unless the  
24 local unit has obtained approval of an application made pursuant to  
25 subsection d. of this section.

26 c. The provisions of subsections a. and b. of this section shall  
27 apply only if a county, municipality, or authority that establishes a  
28 stormwater utility determines that, with regard to its annual budget,  
29 there is available an undesignated fund balance in the stormwater  
30 utility budget or the budget of another utility with which stormwater  
31 is combined, or in the case of an authority there exists a sufficient  
32 amount of unrestricted net position, able to be set aside and  
33 designated to offset the projected loss in revenues that may be  
34 attributable to providing a reduction permitted pursuant to  
35 subsection a. of this section.

36 d. Notwithstanding subsection c. of this section to the contrary,  
37 a county, municipality, or authority that establishes a stormwater  
38 utility may request approval from the Director of the Division of  
39 Local Government Services to use their utility operating fund or  
40 authority enterprise fund, as applicable, to offset the projected loss  
41 in revenues that may be attributable to providing a reduction  
42 permitted pursuant to subsection a. of this section. The director  
43 shall approve the application if the local unit can demonstrate that,  
44 based on a rate study conducted pursuant to section 6 of P.L.2021,  
45 c.184 (C.40A:4-35.2) or section 11 of P.L.2021, c.184 (C.40A:5A-  
46 10.1), as applicable, the proposed reduction will not result in either  
47 an unreasonable increase in the average residential rates, rents, fees

1 and charges, or insufficient funds to ensure the integrity of its  
2 system infrastructure.

3 e. As used in this section:

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

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

13  
14 6. Section 1 of P.L.2017, c.290 (C.40:14A-4.2) is amended to  
15 read as follows:

16 1. a. Notwithstanding the provisions of any other law to the  
17 contrary, the budget of a regional sewerage authority that was created  
18 pursuant to the provisions of P.L.1946, c.138 (C.40:14A-1 et seq.), and  
19 that is located in a county of the first class with a population of over  
20 600,000 and a population density of over 10,000 persons per square  
21 mile according to the latest federal decennial census shall be subject to  
22 the following provisions:

23 (1) (a) The percentage of growth in the fee-funded appropriations  
24 in the annual budget of a regional sewerage authority shall not exceed  
25 two percent per year; and the amount billed to customers of the  
26 authority, or the amount billed to a local unit for its proportional share  
27 of the authority's expenses, as the case may be, shall not exceed that  
28 amount billed in the previous budget year to each customer or local  
29 unit, as the case may be, by more than two percent for a similar  
30 amount of use or service of the sewerage system.

31 (b) A regional sewerage authority may add to the allowable growth  
32 in fee-funded appropriations in any one of the next three succeeding  
33 years, the amount of the difference between the maximum allowable  
34 increase in fee-funded appropriations for the current budget year  
35 pursuant to subparagraph (a) of this paragraph and the actual amount  
36 of fee-funded appropriations for the current budget year.

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

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

44 (b) increases in pension contributions and accrued liability for  
45 pension contributions in excess of two percent over those expenditures  
46 for the previous budget year;

47 (c) increases in health care costs equal to that portion of the actual  
48 increase in total health costs for the budget year that is in excess of two

1 percent of total health care costs in the previous budget year, but is not  
2 in excess of the product of the total health care costs in the prior year  
3 and the average percentage increase of the State Health Benefits  
4 Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually  
5 determined by the Division of Pensions and Benefits in the  
6 Department of the Treasury;

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

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

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

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

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

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

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

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

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

40 b. After the budget of a regional sewerage authority that is subject  
41 to the provisions of subsection a. of this section has been approved by  
42 the members of the regional sewerage authority, the budget shall be  
43 forwarded to the Director of the Division of Local Government  
44 Services for review and approval.

45 The director shall review the budget to ensure that the budget  
46 conforms with the requirements of subsection a. of this section and the  
47 "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1

1 et seq.), and that the budgeted expenditures are reasonable in cost and  
2 necessary for the performance of the regional sewerage authority.

3 If the director determines that the budget meets the requirements of  
4 this subsection, the director shall approve the budget. If the director  
5 does not approve the budget, the director shall return the budget to the  
6 members of the regional sewerage authority with written information  
7 concerning the reasons for the disapproval of the budget.

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

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

13

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

16 8. (a) Every sewerage authority is hereby authorized to  
17 charge and collect rents, rates, fees or other charges (in this act  
18 sometimes referred to as "service charges") for direct or indirect  
19 connection with, or the use or services of, the sewerage system.  
20 Such service charges may be charged to and collected from any  
21 person contracting for such connection or use or services or from  
22 the owner or occupant, or both of them, of any real property which  
23 directly or indirectly is or has been connected with the system or  
24 from or on which originates or has originated sewage or other  
25 wastes which directly or indirectly have entered or may enter the  
26 sewerage system, and the owner of any such real property shall be  
27 liable for and shall pay such service charges to the sewerage  
28 authority at the time when and the place where such service charges  
29 are due and payable.

30 (b) Rents, rates, fees and charges, which may be payable  
31 periodically, being in the nature of use or service charges, shall as  
32 nearly as the sewerage authority shall deem practicable and  
33 equitable be uniform throughout the district for the same type, class  
34 and amount of use or service of the sewerage system, except as  
35 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2) or section  
36 1 of P.L. , c. (C. ) (pending before the Legislature as this  
37 bill), and may be based or computed either on the consumption of  
38 water on or in connection with the real property, making due  
39 allowance for commercial use of water, or on the number and kind  
40 of water outlets on or in connection with the real property, or on the  
41 number and kind of plumbing or sewerage fixtures or facilities on  
42 or in connection with the real property, or on the number of persons  
43 residing or working on or otherwise connected or identified with the  
44 real property, or on the capacity of the improvements on or  
45 connected with the real property, or on any other factors  
46 determining the type, class and amount of use or service of the  
47 sewerage system, or on any combination of any such factors, and  
48 may give weight to the characteristics of the sewage and other

1 wastes and any other special matter affecting the cost of treatment  
2 and disposal thereof, including chlorine demand, biochemical  
3 oxygen demand, concentration of solids and chemical composition.  
4 In addition to any such periodic service charges, a separate charge  
5 in the nature of a connection fee or tapping fee, in respect of each  
6 connection of any property with the sewerage system, may be  
7 imposed upon the owner or occupant of the property so connected.  
8 Such connection charges shall be uniform within each class of  
9 users, except as provided by section 2 of P.L.2005, c.29 (C.40:14A-  
10 8.30) and except as provided by section 2 of P.L.2005, c.173  
11 (C.40:14A-8.4), and the amount thereof shall not exceed the actual  
12 cost of the physical connection, if made by the authority, plus an  
13 amount computed in the following manner to represent a fair  
14 payment toward the cost of the system:

15 (1) The amount representing all debt service, including but not  
16 limited to sinking funds, reserve funds, the principal and interest on  
17 bonds, and the amount of any loans and interest thereon, paid by the  
18 sewerage authority to defray the capital cost of developing the  
19 system as of the end of the immediately preceding fiscal year of the  
20 authority shall be added to all capital expenditures made by the  
21 authority not funded by a bond ordinance or debt for the  
22 development of the system as of the end of the immediately  
23 preceding fiscal year of the authority.

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

30 (3) The remainder shall be divided by the total number of  
31 service units served by the authority at the end of the immediately  
32 preceding fiscal year of the authority, and the results shall then be  
33 apportioned to each new connector according to the number of  
34 service units attributed to that connector, to produce the connector's  
35 contribution to the cost of the system. In attributing service units to  
36 each connector, the estimated average daily flow of sewage for the  
37 connector shall be divided by the average daily flow of sewage for  
38 the average single family residence in the authority's district to  
39 produce the number of service units to be attributed.

40 The connection fee shall be recomputed at the end of each fiscal  
41 year of the authority, after a public hearing is held in the manner  
42 prescribed in subsection (c) of this section. The revised connection  
43 fee may be imposed upon those who subsequently connect in that  
44 fiscal year to the system. The combination of such connection fee  
45 or tapping fee and the aforesaid periodic service charges shall meet  
46 the requirements of subsection (c) hereof.

47 (c) The sewerage authority shall prescribe and from time to time  
48 when necessary revise a schedule of service charges, which shall

1 comply with the terms of any contract of the sewerage authority and  
2 in any event shall be such that the revenues of the sewerage  
3 authority will at all times be adequate to pay all expenses of  
4 operation and maintenance of the sewerage system, including  
5 reserves, insurance, extensions, and replacements, and to pay  
6 punctually the principal of and interest on any bonds and to  
7 maintain such reserves or sinking funds therefor as may be required  
8 by the terms of any contract of the sewerage authority or as may be  
9 deemed necessary or desirable by the sewerage authority. Said  
10 schedule shall thus be prescribed and from time to time revised by  
11 the sewerage authority after public hearing thereon which shall be  
12 held by the sewerage authority at least 20 days after notice of the  
13 proposed adjustment is mailed to the clerk of each municipality  
14 serviced by the authority and publication of notice of the proposed  
15 adjustment of the service charges and of the time and place of the  
16 public hearing in at least two newspapers of general circulation in  
17 the area serviced by the authority. The sewerage authority shall  
18 provide evidence at the hearing showing that the proposed  
19 adjustment of the service charges is necessary and reasonable, and  
20 shall provide the opportunity for cross-examination of persons  
21 offering such evidence, and a transcript of the hearing shall be made  
22 and a copy thereof shall be available upon request to any interested  
23 party at a reasonable fee. The sewerage authority shall likewise fix  
24 and determine the time or times when and the place or places where  
25 such service charges shall be due and payable and may require that  
26 such service charges shall be paid in advance for periods of not  
27 more than one year. A copy of such schedule of service charges in  
28 effect shall at all times be kept on file at the principal office of the  
29 sewerage authority and shall at all reasonable times be open to  
30 public inspection.

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

41  
42 8. Section 21 of P.L.1957, c.183 (C.40:14B-21) is amended to  
43 read as follows:

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

1 facilities or products. Such water service charges may be charged  
2 to and collected from any person contracting for such connection or  
3 use, products or services or for such sale or from the owner or  
4 occupant, or both of them, of any real property which directly or  
5 indirectly is or has been connected with the water system or to  
6 which directly or indirectly has been supplied or furnished such use,  
7 products or services of the water system or water or water supply  
8 services, water supply facilities or products, and the owner of any  
9 such real property shall be liable for and shall pay such water  
10 service charges to the municipal authority at the time when and  
11 place where such water service charges are due and payable. Such  
12 rents, rates, fees and charges shall as nearly as the municipal  
13 authority shall deem practicable and equitable be uniform  
14 throughout the district for the same type, class and amount of use,  
15 products or services of the water system, except as permitted by  
16 section 1 of P.L.1992, c.215 (C.40:14B-22.2) or section 2 of  
17 P.L. c. (C. ) (pending before the Legislature as this bill),  
18 and may be based or computed either on the consumption of water  
19 on or in connection with the real property, or on the number and  
20 kind of water outlets on or in connection with the real property, or  
21 on the number and kind of plumbing fixtures or facilities on or in  
22 connection with the real property, or on the number of persons  
23 residing or working on or otherwise connected or identified with the  
24 real property, or on the capacity of the improvements on or  
25 connected with the real property, or on any other factors  
26 determining the type, class and amount of use, products or services  
27 of the water system supplied or furnished, or on any combination of  
28 such factors, and may give weight to the characteristics of the water  
29 or water services, facilities or products and, as to service outside the  
30 district, any other matter affecting the cost of supplying or  
31 furnishing the same, including the cost of installation of necessary  
32 physical properties.

33 Every municipal authority that furnishes water supply services or  
34 operates water supply facilities shall establish a rate structure that  
35 provides for uniform water service charges for water supply service  
36 and fire protection systems.

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

40 Nothing in this section shall preclude a municipal authority from  
41 requiring separate dedicated service lines for fire protection. A  
42 municipal authority may require that fire service lines be metered.  
43 Nothing in this section shall alter the liability for maintenance and  
44 repair of service lines which exists on the effective date of  
45 P.L.2003, c.278.

46 b. In addition to any such water service charges, a separate  
47 charge in the nature of a connection fee or tapping fee, in respect of  
48 each connection of any property with the water system, may be

1 imposed upon the owner or occupant of the property so connected.  
2 Such connection charges shall be uniform within each class of  
3 users, except as provided by section 5 of P.L.2005, c.29 (C.40:14B-  
4 22.3) and except as provided by section 5 of P.L.2005, c.173  
5 (C.40:14B-22.4), and the amount thereof shall not exceed the actual  
6 cost of the physical connection, if made by the authority, plus an  
7 amount computed in the following manner to represent a fair  
8 payment toward the cost of the system:

9 (1) The amount representing all debt service, including but not  
10 limited to sinking funds, reserve funds, the principal and interest on  
11 bonds, and the amount of any loans and interest thereon, paid by a  
12 municipal authority to defray the capital cost of developing the  
13 system as of the end of the immediately preceding fiscal year of the  
14 authority shall be added to all capital expenditures made by the  
15 authority not funded by a bond ordinance or debt for the  
16 development of the system as of the end of the immediately  
17 preceding fiscal year of the authority.

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

24 (3) The remainder shall be divided by the total number of  
25 service units served by the authority at the end of the immediately  
26 preceding fiscal year of the authority, and the results shall then be  
27 apportioned to each new connector according to the number of  
28 service units attributed to that connector, to produce the connector's  
29 contribution to the cost of the system. In attributing service units to  
30 each connector, the estimated average daily flow of water for the  
31 connector shall be divided by the average daily flow of water to the  
32 average single family residence in the authority's district, to  
33 produce the number of service units to be attributed.

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

42 d. The foregoing notwithstanding, no municipal authority shall  
43 impose any charges or fees in excess of the cost of water actually  
44 used for any sprinkler system required to be installed in any  
45 residential health care facility pursuant to the "Health Care  
46 Facilities Planning Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and  
47 regulations promulgated thereunder or in any rooming or boarding  
48 house pursuant to the "Rooming and Boarding House Act of 1979,"



1 P.L.1979, c.496 (C.55:13B-1 et al.) and regulations promulgated  
2 thereunder. Nothing herein shall preclude any municipal authority  
3 from charging for the actual cost of water main connections, except  
4 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and  
5 except as provided by section 5 of P.L.2005, c.173 (C.40:14B-  
6 22.4).

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

8

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

10 40A:26A-10. After the commencement of operation of  
11 sewerage facilities, the local unit or units may prescribe and, from  
12 time to time, alter rates or rentals to be charged to users of sewerage  
13 services. Rates or rentals being in the nature of use or service  
14 charges or annual rental charges, shall be uniform and equitable for  
15 the same types and classes of use and service of the facilities,  
16 except as permitted by section 5 of P.L.1994, c.78 (C.40A:26A-  
17 10.1) or section 3 of P.L. c. (C. ) (pending before the  
18 Legislature as this bill). Rates or rentals and types and classes of  
19 use and service may be based on any factors which the governing  
20 body or bodies of that local unit or units shall deem proper and  
21 equitable within the region served.

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

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

31 b. Establish a surplus in an amount sufficient to provide for the  
32 reasonable anticipation of any contingency that may affect the  
33 operating of the sewerage facility, and, at the discretion of the local  
34 unit or units, allow for the transfer of moneys from the budget for  
35 the sewerage facilities to the local budget in accordance with  
36 section 5 of P.L.1983, c.111 (C.40A:4-35.1).

37 (cf: P.L.1994, c.78, s.6)

38

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

40 40A:31-10. a. After the commencement of operation of water  
41 supply facilities, the local unit or units may prescribe and, from  
42 time to time, alter rates or rentals to be charged to users of water  
43 supply services. Rates or rentals being in the nature of use or  
44 service charges or annual rental charges, shall be uniform and  
45 equitable for the same type and class of use or service of the  
46 facilities, except as permitted by section 7 of P.L.1994, c.78  
47 (C.40A:31-10.1) or section 4 of P.L. , c. (C. ) (pending  
48 before the Legislature as this bill). Rates or rentals and types and

1 classes of use and service may be based on any factors which the  
2 governing body or bodies of that local unit or units shall deem  
3 proper and equitable within the region served.

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

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

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

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

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

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

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

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

41  
42 11. Section 8 of P.L.2019, c.42 (C.40A:26B-8) is amended to  
43 read as follows:

44 8. a. Any county, municipality, or authority that establishes a  
45 stormwater utility pursuant to P.L.2019, c.42 (C.40A:26B-1 et al.)  
46 may charge and collect reasonable fees and other charges to recover  
47 the stormwater utility's costs for stormwater management. These  
48 fees and other charges may be charged to and collected from the

1 owner or occupant, or both, of any real property from which  
2 originates stormwater runoff which directly or indirectly enters the  
3 stormwater management system or the waters of the State. The  
4 owner of any such real property shall be liable for and shall pay  
5 such fees and charges to the stormwater utility at the time when and  
6 place where the fees and charges are due and payable.

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

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

15 (1) a partial fee reduction in the form of a credit for any  
16 property that maintains and operates a stormwater management  
17 system that complies with the State and local stormwater  
18 management standards that were in place at the time the system was  
19 approved and that effectively reduces, retains, or treats stormwater  
20 onsite;

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

26 (3) an additional partial fee reduction in the form of a credit for  
27 any property which has installed and is operating and maintaining  
28 green infrastructure that reduces, retains, or treats stormwater onsite  
29 and which exceeds any requirements for green infrastructure that  
30 may be applicable to that property under any rule or regulation  
31 adopted by the Department of Environmental Protection or the local  
32 stormwater control ordinance; and

33 (4) an exemption from fees and other charges for land actively  
34 devoted to agricultural or horticultural use that is valued, assessed,  
35 and taxed pursuant to the "Farmland Assessment Act of 1964,"  
36 P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

- 1 (1) initial establishment of a stormwater utility pursuant to
  - 2 P.L.2019, c.42 (C.40A:26B-1 et al.) and ongoing related
  - 3 administrative expenses;
  - 4 (2) capital expenditures, including planning, design,
  - 5 engineering, acquisition, construction, and improvement of a
  - 6 stormwater management system;
  - 7 (3) operation and maintenance expenditures of a stormwater
  - 8 management system;
  - 9 (4) development and implementation of an asset management
  - 10 program for a stormwater management system;
  - 11 (5) development and implementation of a stormwater
  - 12 management plan and stormwater control ordinances pursuant to
  - 13 section 1 of P.L.1981, c.32 (C.40:55D-93);
  - 14 (6) any action required pursuant to any New Jersey Pollutant
  - 15 Discharge Elimination System permit;
  - 16 (7) development and implementation of any long-term control
  - 17 plan to mitigate combined sewer overflows pursuant to State or
  - 18 federal law, rule, regulation, permit, or consent decree;
  - 19 (8) monitoring, inspection, and enforcement activities to carry
  - 20 out the purposes of P.L.2019, c.42 (C.40A:26B-1 et al.);
  - 21 (9) public education and outreach related to stormwater
  - 22 management; and
  - 23 (10) any other purpose related to stormwater management as
  - 24 may be authorized by the department, the Division of Local
  - 25 Government Services in the Department of Community Affairs, or
  - 26 the Local Finance Board pursuant to rules, regulations, or permits.
- 27 f. In establishing fees and other charges and appropriate credits
- 28 pursuant to this section, a county, municipality, or authority shall
- 29 consult the guidance manual developed pursuant to section 16 of
- 30 P.L.2019, c.42 (C.40A:26B-16), and other best practice guidance
- 31 manuals published by industry organizations.
- 32 g. An authority that establishes a stormwater utility may, in its
- 33 discretion, adopt a resolution authorizing the authority to enter into
- 34 an agreement requiring the total sum of delinquent payments for
- 35 stormwater fees and charges, plus any interest and penalties, to be
- 36 paid in equal monthly installments, the amounts of which shall be
- 37 large enough to satisfy in full the total sum of delinquent payments
- 38 plus any interest and penalties. The length of the agreement shall
- 39 not exceed five years in duration. The agreement shall be
- 40 conditioned upon timely payment of the specified installments and
- 41 of all current service charges. In case any such installment of
- 42 arrears or any current service charges are not paid within thirty days
- 43 after the date when the same is due and payable, then such
- 44 agreement shall be void and the authority shall file a certification
- 45 with the municipal tax collector to establish a lien on the parcel of
- 46 real property for the unpaid balance. The authority shall not be
- 47 authorized to enter into more than one installment payment
- 48 agreement for a parcel of property, except that one additional

1 agreement may be authorized by the authority for payment of  
2 service charges that became delinquent during a public health  
3 emergency or state of emergency sufficiently impacting the service  
4 area of the authority. A parcel of property with one such additional  
5 agreement shall not be eligible for a third agreement for payment of  
6 subsequent service charges becoming delinquent during a public  
7 health emergency or state of emergency.

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

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

32  
33 12. Section 6 of P.L.2021, c.184 (C.40A:4-35.2) is amended to  
34 read as follows:

35 6. a. A local unit shall be required to conduct a periodic study  
36 of the adequacy and reasonableness of the rates, fees, rents, and  
37 charges for a water system that the local unit owns or operates  
38 through a utility. The Local Finance Board in the Department of  
39 Community Affairs shall adopt, pursuant to the "Administrative  
40 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the  
41 procedures, requirements, and frequency of the study. Each  
42 completed study shall be submitted to the Director of the Division  
43 of Local Government Services in the Department of Community  
44 Affairs along with the annual budget of the local unit. The Local  
45 Finance Board in the Department of Community Affairs shall adopt,  
46 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
47 (C.52:14B-1 et seq.), the procedures and requirements for a rate  
48 study conducted by a local unit seeking approval to fund from its

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

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

23

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

26 11. a. A municipal utilities authority with a water supply  
27 operation shall be required to conduct a periodic study of the  
28 adequacy and reasonableness of the rates, fees, rents, or charges for  
29 the operation. The Local Finance Board in the Department of  
30 Community Affairs shall adopt, pursuant to the "Administrative  
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the  
32 procedures, requirements, and frequency of the study. Each  
33 completed study shall be submitted to the Director of the Division  
34 of Local Government Services in the Department of Community  
35 Affairs along with the annual budget of the authority. The Local  
36 Finance Board in the Department of Community Affairs shall adopt,  
37 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
38 (C.52:14B-1 et seq.), the procedures and requirements for a rate  
39 study conducted by a municipal utilities authority or a county or  
40 municipal sewerage authority seeking approval to fund from its  
41 current fund a reduction established pursuant to subsection a. of  
42 section 1 or subsection a. of section 2 of  
43 P.L. , c. (C. or C. ) (pending before the Legislature as this  
44 bill), as applicable.

45 b. The director may summon appropriate officials of the  
46 authority to a hearing before the Local Finance Board if the director  
47 determines that the authority's rates, fees, rents, or charges may not  
48 be adequate or reasonable as supported by a study conducted

1 pursuant to subsection a. of this section, or if the authority fails to  
2 conduct a study pursuant to subsection a. of this section. The Local  
3 Finance Board may require the production of papers, documents,  
4 witnesses, or information and may take or cause to be made an audit  
5 or investigation of the circumstances with respect to which the  
6 hearing was called. After the hearing, the Local Finance Board  
7 shall have the power to order the authority to adjust the rents, rates,  
8 fees, or charges for its water supply operation, or take such other  
9 action as the Local Finance Board deems appropriate to ensure the  
10 integrity of the water infrastructure owned by the authority, and this  
11 order shall be valid and enforceable notwithstanding any provision  
12 of R.S.48:2-1 et seq. to the contrary.  
13 (cf: P.L.2021, c.184, s.11)

14

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

17 6. Notwithstanding the provisions of any law to the contrary, if  
18 the Governor has declared a public health emergency pursuant to  
19 the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-  
20 1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251  
21 (C.App.A:9-33 et seq.), or both, in response to a flood, hurricane,  
22 superstorm, tornado, natural or other disaster, or public health  
23 emergency, then, for the duration of the public health emergency,  
24 state of emergency, or both, and for a period up to 90 days after the  
25 public health emergency, state of emergency, or both, are no longer  
26 in effect, any municipality that owns and operates its water system  
27 as a single utility, its sewer system as a single utility, or its water  
28 and sewer systems as one utility or that furnishes a supply of water  
29 or sewerage service, or both, to the inhabitants of another  
30 municipality, may, in its discretion, engage in any combination of  
31 the following: (1) not charge interest on the delinquent payment; (2)  
32 not place a lien on such parcel of real property for the unpaid  
33 balance for any service charge and all interest accruing thereon; or  
34 (3) not discontinue service of any property for the failure to pay any  
35 amount owing. A [sewerage authority] municipality shall exercise  
36 the discretionary authority it is provided under this subsection  
37 consistently to all properties, or to all properties of the same use  
38 type or other appropriate category.

39 (cf: P.L.2020, c.39, s.6)

40

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

43 21. (a) In the event that a service charge of any sewerage  
44 authority with regard to any parcel of real property shall not be paid  
45 as and when due, interest shall accrue and be due to the sewerage  
46 authority on the unpaid balance at the rate of 1 1/2 percent per  
47 month until such service charge, and the interest thereon, shall be  
48 fully paid to the sewerage authority.

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

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

35 (d) In the event that a service charge of any sewerage authority  
36 with regard to any parcel of real property shall not be paid as and  
37 when due, the sewerage authority may, in accordance with section  
38 twenty-six of this act, cause the supply of water to such parcel to be  
39 stopped or restricted until such service charge and any subsequent  
40 service charge with regard to such parcel and all interest accrued  
41 thereon shall be fully paid to the sewerage authority. If for any  
42 reason such supply of water shall not be promptly stopped or  
43 restricted as required by section twenty-six of this act, the sewerage  
44 authority may itself shut off or restrict such supply and, for that  
45 purpose, may enter on any lands, waters or premises of any county,  
46 municipality or other person. The supply of water to such parcel  
47 shall, notwithstanding the provisions of this subsection, be restored  
48 or increased if the State Department of Health, upon application of



1 the local board of health or health officer of the municipality where  
2 such parcel is situate, shall after public hearing find and shall  
3 certify to the sewerage authority that the continuance of such  
4 stopping or restriction of the supply of water endangers the health  
5 of the public in such municipality.

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

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

23 (g) All rights and remedies granted by this act for the collection  
24 and enforcement of service charges shall be cumulative and  
25 concurrent.

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

44 (i) Notwithstanding any provision of this section to the contrary,  
45 a sewerage authority may, in its discretion, adopt a resolution  
46 authorizing the authority to enter into an agreement requiring the  
47 total sum of delinquent payments, plus interest and penalties, to be  
48 paid in equal monthly installments, the amount of which shall be

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

20 (j) Notwithstanding subsection (i) of this section to the contrary,  
21 a sewerage authority may adopt a resolution authorizing the  
22 authority to modify an existing agreement to allow for a temporary  
23 reduction in monthly installments, an increase in the duration of the  
24 agreement, or both, if a residential customer can demonstrate that  
25 their financial circumstances have changed significantly because of  
26 factors beyond the residential customer's control. A modified  
27 agreement shall require the total sum of delinquent payments, plus  
28 any interest and penalties, to be satisfied in full. A modified  
29 agreement allowing a residential customer to temporarily reduce a  
30 monthly installment obligation shall not require a payment in any  
31 given month that is more than 50 percent lower than the highest  
32 monthly installment amount set forth in the modified agreement.  
33 The duration of the agreement shall not be extended beyond five  
34 years from the date on which the agreement was originally  
35 executed. The agreement shall be conditioned upon timely payment  
36 of the specified installments and of all current service charges. In  
37 case any such installment of arrears or any current service charges  
38 are not paid within 30 days after the date when the same is due and  
39 payable, then such agreement shall be void and the sewerage  
40 authority shall file a certification with the municipal tax collector to  
41 establish a lien on the parcel of real property for the unpaid balance.  
42 (cf: P.L.2020, c.39, s.1)

43  
44 16. Section 42 of P.L.1957, c.183 (C.40:14B-42) is amended to  
45 read as follows:

46 42. a. In the event that a service charge of any municipal  
47 authority with regard to any parcel of real property owned by any  
48 person other than the State or an agency or subdivision thereof shall

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

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

41 c. Notwithstanding the provisions of this section or section 41  
42 of P.L.1957, c.183 (C.40:14B-41), a municipal authority may, in its  
43 discretion, adopt a resolution authorizing the authority to enter into  
44 an agreement requiring the total sum of delinquent payments, plus  
45 any interest and penalties, to be paid in equal monthly installments,  
46 the amounts of which shall be large enough to satisfy in full the  
47 total sum of delinquent payments plus any interest and penalties.  
48 The length of the agreement shall not exceed five years in duration.

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

18 d. Notwithstanding subsection c. of this section to the contrary,  
19 a municipal authority may adopt a resolution authorizing the  
20 authority to modify an existing agreement to allow for: a temporary  
21 reduction in monthly installments, an increase in the duration of the  
22 agreement, or both, if a residential customer can demonstrate that  
23 their financial circumstances have changed significantly because of  
24 factors beyond the residential customer's control. A modified  
25 agreement shall require the total sum of delinquent payments, plus  
26 any interest and penalties, to be satisfied in full. When a modified  
27 agreement allows a residential customer to temporarily reduce the  
28 customer's monthly installment obligation, no payment in any given  
29 month shall be more than 50 percent lower than the highest monthly  
30 installment amount set forth in the modified agreement. The  
31 duration of the agreement shall not be extended beyond five years  
32 from the date on which the agreement was originally executed. The  
33 agreement shall be conditioned upon timely payment of the  
34 specified installments and of all current service charges. In case  
35 any such installment of arrears or any current service charges are  
36 not paid within 30 days after the date when the same is due and  
37 payable, then such agreement shall be void and the municipal  
38 authority shall file a certification with the municipal tax collector to  
39 establish a lien on the parcel of real property for the unpaid balance.  
40 (cf: P.L.2020, c.39, s.3)

41

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

43 54:5-19. The term "collector" as hereinafter used includes any  
44 such officer, and the term "officer" includes the collector.

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

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

1 collector or other officer charged by law in the municipality with  
2 that duty, shall enforce the lien by selling the property in the  
3 manner set forth in this article by holding a standard tax sale in the  
4 following fiscal 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  
8 collector or other officer charged by law in the municipality with  
9 that duty, shall enforce the lien by selling the property in the  
10 manner set forth in this article by conducting an accelerated tax sale  
11 by selling the property in the manner set forth in this article,  
12 provided that the sale is conducted and completed no earlier than in  
13 the last month of the fiscal year. Whenever the due date for the  
14 fourth quarter property tax installment payment has been extended  
15 for real property pursuant to the provisions of subsection a. of  
16 R.S.54:4-67, a municipality shall not conduct an accelerated tax  
17 sale with respect to that installment 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  
25 omitted from such sale any or all such unpaid taxes, and other  
26 municipal liens, or parts thereof, on real property, upon which  
27 regular, equal monthly installment payments are being made, in  
28 pursuance to such agreement as may be authorized by said  
29 resolution between the collector and the owner or person interested  
30 in the property upon which such delinquent taxes may be due;  
31 provided, that said agreement shall require payment of such  
32 installment payments in amounts large enough to pay in full all  
33 delinquent taxes, assessments and other municipal liens held by the  
34 municipality, in not more than five years from the date of such  
35 agreement; provided, that the extension of time for payment of such  
36 arrearages herein authorized shall not apply to any parcel of  
37 property which prior thereto has been included in any plan  
38 theretofore adopted by any municipality of this State under and  
39 pursuant to the provisions of any public statute of this State  
40 whereunder prior extensions for the payment of delinquent taxes  
41 were authorized; provided further, that the right of any person  
42 interested in such property to pay such arrears in such installments  
43 shall be conditioned on the prompt payment of the installments of  
44 taxes for the current year in which such agreement is made, and all  
45 subsequent taxes, assessments and other municipal liens imposed or  
46 becoming a lien thereafter, including all installments thereafter  
47 payable on assessments theretofore levied, and also the prompt  
48 payment of all installments of arrears as hereinbefore authorized;

1 and provided further, that in case any such installment of arrears or  
2 any new taxes, assessments or other liens are not promptly paid,  
3 that is to say, within thirty days after the date when the same is due  
4 and payable, then such agreement shall be void, and in any such  
5 case the collector, or other officer charged by law with that duty,  
6 shall proceed to enforce such lien by selling in the manner in this  
7 article provided.

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

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

1 liens, and charges. In case any such installment of arrears or any  
2 current property taxes and other municipal assessments, liens, and  
3 charges are not paid within 30 days after the date when the same is  
4 due and payable, then such agreement shall be void and in any such  
5 case the collector, or other officer charged by law with that duty,  
6 shall proceed to enforce such lien by selling in the manner in this  
7 article provided.

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

9

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

16

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

23

24

25 STATEMENT

26

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

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

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

44 The bill provides that a local unit or authority may not offer rate  
45 reductions to low-income residents unless the local unit or authority  
46 has a sufficient amount of funds available to set-aside and offset the  
47 projected loss in revenues attributable to providing for low-income  
48 reductions under the bill. The bill imposes deadlines for local units

1 and authorities to accept applications for reductions under the bill.  
2 However, the bill allows a local unit or authority to deviate from the  
3 statutory application deadlines if the local unit or authority seeks  
4 and obtains approval from the Director of the Division of Local  
5 Government Services to fund reductions established under the bill  
6 from a specific fund. The bill would require the director to approve  
7 a local unit's or authority's application if the local unit or authority  
8 can demonstrate that, based on a rate study conducted under the  
9 bill, the reduction will not result in an unreasonable increase in  
10 average residential rates, rents, fees, and charges or the authority  
11 having insufficient funds to maintain the integrity of its system  
12 infrastructure.

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

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

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

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