

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

As reported by the Senate Community and Urban Affairs Committee with technical review.



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 read
15 as follows:

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

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

1 biochemical oxygen demand, concentration of solids and chemical
2 composition. In addition to any such periodic service charges, a
3 separate charge in the nature of a connection fee or tapping fee, in
4 respect of each connection of any property with the sewerage system,
5 may be imposed upon the owner or occupant of the property so
6 connected. Such connection charges shall be uniform within each
7 class of users, except as provided by section 2 of P.L.2005, c.29
8 (C.40:14A-8.3) and except as provided by section 2 of P.L.2005, c.173
9 (C.40:14A-8.4), and the amount thereof shall not exceed the actual
10 cost of the physical connection, if made by the authority, plus an
11 amount computed in the following manner to represent a fair payment
12 toward the cost of the system:

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

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

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

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

44 (c) The sewerage authority shall prescribe and from time to time
45 when necessary revise a schedule of service charges, which shall
46 comply with the terms of any contract of the sewerage authority and in
47 any event shall be such that the revenues of the sewerage authority will
48 at all times be adequate to pay all expenses of operation and

1 maintenance of the sewerage system, including reserves, insurance,
2 extensions, and replacements, and to pay punctually the principal of
3 and interest on any bonds and to maintain such reserves or sinking
4 funds therefor as may be required by the terms of any contract of the
5 sewerage authority or as may be deemed necessary or desirable by the
6 sewerage authority. Said schedule shall thus be prescribed and from
7 time to time revised by the sewerage authority after public hearing
8 thereon which shall be held by the sewerage authority at least 20 days
9 after notice of the proposed adjustment is mailed to the clerk of each
10 municipality serviced by the authority and publication of notice of the
11 proposed adjustment of the service charges and of the time and place
12 of the public hearing in at least two newspapers of general circulation
13 in the area serviced by the authority. The sewerage authority shall
14 provide evidence at the hearing showing that the proposed adjustment
15 of the service charges is necessary and reasonable, and shall provide
16 the opportunity for cross-examination of persons offering such
17 evidence, and a transcript of the hearing shall be made and a copy
18 thereof shall be available upon request to any interested party at a
19 reasonable fee; or in lieu of providing a transcript of the hearing, the
20 sewerage authority may provide any interested party with a live
21 recording of the hearing without cost to the interested party. The
22 sewerage authority may provide the live recording to an interested
23 party in an audiovisual format with video and audio, or in a format
24 without live video. The authorization to provide a live recording under
25 this subsection shall not limit any duty of the sewerage authority to
26 provide a government record as required pursuant to P.L.1963, c.73
27 (C.47:1A-1 et seq.), known as the open public records act. The
28 sewerage authority shall likewise fix and determine the time or times
29 when and the place or places where such service charges shall be due
30 and payable and may require that such service charges shall be paid in
31 advance for periods of not more than one year. A copy of such
32 schedule of service charges in effect shall at all times be kept on file at
33 the principal office of the sewerage authority and shall at all
34 reasonable times be open to public inspection.

35 (d) Any county sewerage authority may establish sewerage regions
36 in portions of the district. Rents, rates, fees and charges which may be
37 payable periodically, being in the nature of use or service charges,
38 shall as nearly as the sewerage authority shall deem practicable and
39 equitable, be uniform throughout the district for the same type, class
40 and amount of use or service of the sewerage systems, except as
41 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2), and shall
42 meet all other requirements of subsection (b) hereof.
43 (cf: P.L.2023, c.39, s.1)

44

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

47 21. a. Every municipal authority is hereby authorized to charge
48 and collect rents, rates, fees or other charges (in this act sometimes

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

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

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

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

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

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

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

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

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

45 d. The foregoing notwithstanding, no municipal authority shall
46 impose any charges or fees in excess of the cost of water actually
47 used for any sprinkler system required to be installed in any
48 residential health care facility pursuant to the "Health Care

1 Facilities Planning Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and
2 regulations promulgated thereunder or in any rooming or boarding
3 house pursuant to the "Rooming and Boarding House Act of 1979,"
4 P.L.1979, c.496 (C.55:13B-1 et al.) and regulations promulgated
5 thereunder. Nothing herein shall preclude any municipal authority
6 from charging for the actual cost of water main connections, except
7 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and
8 except as provided by section 5 of P.L.2005, c.173 (C.40:14B-
9 22.4).

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

11

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

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

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

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

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

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

41

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

43 40A:31-10. a. After the commencement of operation of water
44 supply facilities, the local unit or units may prescribe and, from
45 time to time, alter rates or rentals to be charged to users of water
46 supply services. Rates or rentals being in the nature of use or
47 service charges or annual rental charges, shall be uniform and
48 equitable for the same type and class of use or service of the

1 facilities, except as permitted by section 7 of P.L.1994, c.78
2 (C.40A:31-10.1) or section 4 of P.L. , c. (C.) (pending
3 before the Legislature as this bill). Rates or rentals and types and
4 classes of use and service may be based on any factors which the
5 governing body or bodies of that local unit or units shall deem
6 proper and equitable within the region served.

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

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

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

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

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

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

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

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

44

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

47 8. a. Any county, municipality, or authority that establishes a
48 stormwater utility pursuant to P.L.2019, c.42 (C.40A:26B-1 et al.)

1 may charge and collect reasonable fees and other charges to recover
2 the stormwater utility's costs for stormwater management. These
3 fees and other charges may be charged to and collected from the
4 owner or occupant, or both, of any real property from which
5 originates stormwater runoff which directly or indirectly enters the
6 stormwater management system or the waters of the State. The
7 owner of any such real property shall be liable for and shall pay
8 such fees and charges to the stormwater utility at the time when and
9 place where the fees and charges are due and payable.

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

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

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

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

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

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

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

47 e. Except as provided in section 5 of P.L.1983, c.111
48 (C.40A:4-35.1) or section 1 of P.L.2004, c.87 (C.40A:5A-12.1), as

1 applicable, a county, municipality, or authority shall only use fees
2 and other charges collected pursuant to this section to pay for or
3 recover all or a portion of the cost of the following:

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

7 (2) capital expenditures, including planning, design,
8 engineering, acquisition, construction, and improvement of a
9 stormwater management system;

10 (3) operation and maintenance expenditures of a stormwater
11 management system;

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

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

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

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

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

24 (9) public education and outreach related to stormwater
25 management; and

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

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

35 g. An authority that establishes a stormwater utility may, in its
36 discretion, adopt a resolution authorizing the authority to enter into
37 an agreement requiring the total sum of delinquent payments for
38 stormwater fees and charges, plus any interest and penalties, to be
39 paid in equal monthly installments, the amounts of which shall be
40 large enough to satisfy in full the total sum of delinquent payments
41 plus any interest and penalties. The length of the agreement shall
42 not exceed five years in duration. The agreement shall be
43 conditioned upon timely payment of the specified installments and
44 of all current service charges. In case any such installment of
45 arrears or any current service charges are not paid within thirty days
46 after the date when the same is due and payable, then such
47 agreement shall be void and the authority shall file a certification
48 with the municipal tax collector to establish a lien on the parcel of

1 real property for the unpaid balance. The authority shall not be
2 authorized to enter into more than one installment payment
3 agreement for a parcel of property, except that one additional
4 agreement may be authorized by the authority for payment of
5 service charges that became delinquent during a public health
6 emergency or state of emergency sufficiently impacting the service
7 area of the authority. A parcel of property with one such additional
8 agreement shall not be eligible for a third agreement for payment of
9 subsequent service charges becoming delinquent during a public
10 health emergency or state of emergency.

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

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

35
36 12. Section 6 of P.L.2021, c.184 (C.40A:4-35.2) is amended to
37 read as follows:

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

1 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
2 (C.52:14B-1 et seq.), the procedures and requirements for a rate
3 study conducted by a local unit seeking approval to fund from its
4 current fund or a utility current fund, as applicable, a reduction
5 established pursuant to subsection a. of section 1 or subsection a. of
6 section 2 of P.L. , c. (C. or C.) (pending before the
7 Legislature as this bill), as applicable.

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

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

26
27 13. Section 11 of P.L.2021, c.184 (C.40A:5A-10.1) is amended
28 to read as follows:

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

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

17 (cf: P.L.2021, c.184, s.11)

18

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

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

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

44

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

47 21. (a) In the event that a service charge of any sewerage
48 authority with regard to any parcel of real property shall not be paid

1 as and when due, interest shall accrue and be due to the sewerage
2 authority on the unpaid balance at the rate of 1 1/2 percent per
3 month until such service charge, and the interest thereon, shall be
4 fully paid to the sewerage authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

46 c. Notwithstanding the provisions of this section or section 41
47 of P.L.1957, c.183 (C.40:14B-41), a municipal authority may, in its
48 discretion, adopt a resolution authorizing the authority to enter into

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

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

46

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

1 54:5-19. The term "collector" as hereinafter used includes any
2 such officer, and the term "officer" includes the collector.

3 A municipality shall have the authority to conduct both standard
4 and accelerated tax sales.

5 When unpaid taxes or any municipal lien, or part thereof, on real
6 property remain in arrears at the close of the fiscal year, the
7 collector or other officer charged by law in the municipality with
8 that duty, shall enforce the lien by selling the property in the
9 manner set forth in this article by holding a standard tax sale in the
10 following fiscal year.

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

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

1 shall be conditioned on the prompt payment of the installments of
2 taxes for the current year in which such agreement is made, and all
3 subsequent taxes, assessments and other municipal liens imposed or
4 becoming a lien thereafter, including all installments thereafter
5 payable on assessments theretofore levied, and also the prompt
6 payment of all installments of arrears as hereinbefore authorized;
7 and provided further, that in case any such installment of arrears or
8 any new taxes, assessments or other liens are not promptly paid,
9 that is to say, within thirty days after the date when the same is due
10 and payable, then such agreement shall be void, and in any such
11 case the collector, or other officer charged by law with that duty,
12 shall proceed to enforce such lien by selling in the manner in this
13 article provided.

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

37 A municipality may adopt a resolution, either general or special,
38 authorizing the modification of an existing agreement to allow for
39 an increase in the duration of the agreement, a temporary reduction
40 in the portion of monthly installments attributable to delinquent
41 water, sewer, stormwater, and electric charges, or both, if a
42 residential customer can demonstrate that their financial
43 circumstances have changed significantly because of factors beyond
44 the residential customer's control. A modified agreement shall
45 require the total sum of delinquent payments, plus any interest and
46 penalties, to be satisfied in full. When a modified agreement allows
47 a residential customer to temporarily reduce their monthly
48 installment obligation, no payment in any given month shall be

1 more than 50 percent lower than the highest monthly installment
2 amount set forth in the modified agreement. The duration of the
3 agreement shall not be extended beyond five years from the date on
4 which the agreement was originally executed. The agreement shall
5 be conditioned upon timely payment of the specified installments
6 and of all current property taxes and other municipal assessments,
7 liens, and charges. In case any such installment of arrears or any
8 current property taxes and other municipal assessments, liens, and
9 charges are not paid within 30 days after the date when the same is
10 due and payable, then such agreement shall be void and in any such
11 case the collector, or other officer charged by law with that duty,
12 shall proceed to enforce such lien by selling in the manner in this
13 article provided.

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

15

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

22

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