

SENATE, No. 3888

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED NOVEMBER 18, 2024

Sponsored by:

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Establishes New Jersey Low Income Household Water Assistance Program to provide water service and water bill payment assistance to certain low-income households; appropriates \$25 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning water service and water bill payment assistance
2 for certain households, supplementing Title 52 of the Revised
3 Statutes, 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. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill:

10 "Arrears" means debt owed by a customer of a water system for
11 unpaid water service bills.

12 "Assistance" means financial and other assistance provided to or
13 on behalf of an eligible household to reduce the household's costs
14 of water service.

15 "Board" means the New Jersey Board of Public Utilities.

16 "Commissioner" means the Commissioner of Community
17 Affairs.

18 "Department" means the Department of Community Affairs.

19 "Eligible household" means a household that pays for its own
20 water or sewer services and which has a monthly household income
21 at or below 60 percent of the New Jersey State median income to be
22 established by the department based on the most recent Statewide
23 data from the United States Census Bureau.

24 "Fund" means the New Jersey Low Income Household Water
25 Assistance Program Fund, established pursuant to section 3 of
26 P.L. , c. (C.) (pending before the Legislature as this bill).

27 "Local authority" or "authority" means an authority, as defined in
28 N.J.S.40A:5A-3, or a water district established pursuant to
29 R.S.40:62-96 et seq., that provides water or wastewater service.

30 "Municipal utility" or "utility" means a municipal public utility,
31 as defined in N.J.S.40A:1-1, a joint meeting or regional service
32 agency, as defined in section 3 of P.L.2007, c.63 (C.40A:65-3), or a
33 water commission appointed pursuant to R.S.40:62-109 that
34 provides water or wastewater service.

35 "Program" means the New Jersey Low Income Household Water
36 Assistance Program, established pursuant to section 2 of P.L. c.
37 (C.) (pending before the Legislature as this bill).

38 "Public utility" means and includes a public utility as defined in
39 R.S.48:2-13 that provides water, wastewater, or sewer service.

40 "Qualifying customer" means a residential customer who has
41 been approved by the department to participate in the program.

42 "Residential customer" means a residential customer of record of
43 a local authority or municipal utility, or any residential tenant of a
44 residence where the owner of the residence, or any agent or other
45 representative thereof, is a customer of record of the local authority
46 or municipal utility.

47 "Vendor contract" means one or more written agreements entered
48 into between a local authority or municipal utility and the

1 department to effectuate the local authority or municipal utility's
2 participation in the program, which agreement or agreements shall
3 allow qualifying customers of the local authority or municipal
4 utility to participate in the program.

5 "Water service" means service provided by a water system.

6 "Water system" means all of the following:

7 a. a public community water system, as defined in section 3 of
8 P.L.1977, c.224 (C.58:12A-3);

9 b. a stormwater utility established pursuant to section 4 of
10 P.L.2019, c.42 (C.40A:26B-4); and

11 c. an authority, as defined in P.L.1983, c. 313 (C.40A:5A-3),
12 municipal public utility, as defined in P.L.1960, c.169 (C.40A:1-1),
13 or public utility, as defined pursuant to R.S.48:2-13, that provides
14 sewer service.

15

16 2. a. The Commissioner of Community Affairs, in consultation
17 with the Board of Public Utilities, shall establish the "New Jersey
18 Low Income Household Water Assistance Program" not later than
19 the first day of the sixth month next following the enactment of
20 P.L. , c. (C.) (pending before the Legislature as this bill).
21 The purpose of the program shall be to provide grants to public
22 utilities, local authorities, and municipal utilities to assist eligible
23 households by:

24 (1) providing financial and other assistance to, or on behalf of,
25 eligible households throughout New Jersey;

26 (2) reducing the cost of water services to those households;

27 (3) preventing the disconnection of water service to households
28 due to inability to pay; and

29 (4) restoring water service to households disconnected due to
30 inability to pay.

31 b. The program, to the greatest extent possible, shall ensure
32 that the costs of water services are affordable for all eligible
33 households and shall provide the following types of assistance:

34 (1) direct assistance;

35 (2) assistance to renters and other households who do not
36 receive a bill from a water system but pay other amounts, fees, or
37 charges related to residential water system service;

38 (3) water crisis intervention assistance;

39 (4) water efficiency, leak detection, and plumbing repair
40 measures; and

41 (5) debt relief for arrears, including arrears accrued prior to
42 implementation of the program.

43 c. In addition to the assistance provided pursuant to subsection
44 b. of this section, the program shall also offer short-term financial
45 support to water systems that are not public utilities as defined by
46 R.S.48:2-13 to administer program components, including initial
47 startup costs.

1 d. The program may provide financial support to a water
2 system that is not a public utility as defined by R.S.48:2-13 to
3 provide assistance pursuant to subsection b. of this section to
4 eligible households provided that the total amount of funds used for
5 this purpose shall not exceed three percent of the program's total
6 annual budget.

7 e. If the commissioner secures federal funding that may be
8 used to provide assistance under the program prior to the first day
9 of the sixth month next following the enactment of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 the commissioner shall begin to operate the program on an
12 emergency basis, consistent with any applicable conditions on the
13 State's receipt of such federal funding.

14 f. The commissioner shall coordinate the program with any
15 existing assistance programs to the extent practicable.

16 g. In developing the program, the commissioner shall review
17 and consider adapting program design elements of one or more
18 existing low-income energy assistance programs, including the
19 Universal Service Fund and the Low Income Home Energy
20 Assistance Program.

21 h. In administering the program, the commissioner shall
22 consult and coordinate with the board to develop and publish
23 performance metrics that are disaggregated by authority or utility
24 name, type of water service provided, municipality, and zip code or,
25 to the maximum extent practicable, census tract in lieu of zip code.
26 Performance metrics shall include, but are not limited to,
27 enrollment levels, disconnection of water service for inability to
28 pay, and on-time payment levels. The commissioner shall
29 coordinate with the board to collect data to track the performance
30 metrics.

31 i. The commissioner shall, as may be necessary, coordinate
32 and consult with other State agencies concerning aspects of the
33 program and resolve disputes, through use of memorandums of
34 understanding, as may be necessary.

35 j. The commissioner shall authorize local authorities and
36 municipal utilities to impose a surcharge on their customers who are
37 not eligible households to pay for the costs experienced by the local
38 authority or municipal utility to comply with the requirements of
39 P.L. , c. (C.) (pending before the Legislature as this bill).

40
41 3. a. There is created in the Department of Community Affairs
42 a separate trust fund, to be used for the exclusive purposes as
43 provided in this section, and which shall be known as the "New
44 Jersey Low Income Household Water Assistance Program Fund."
45 The fund shall be a non-lapsing fund. All monies appropriated
46 annually by the Legislature, federal and other grants received by the
47 State, and any other monies made available for the purposes of the
48 fund shall be deposited in the fund. Additionally, the department

1 shall seek to maximize any available federal funding which may be
2 used for the purposes of administering this program. The
3 department shall be permitted to utilize annually up to 10 percent of
4 the monies available in the fund for the payment of any necessary
5 administrative costs related to the administration of the program,
6 pursuant to subsection a. of section 2 of P.L. , c. (C.)
7 (pending before the Legislature as this bill).

8 b. Monies in the fund shall be used by the department for the
9 purposes provided in subsections b., c., and d. of section 2 of
10 P.L. , c. (C.) (pending before the Legislature as this bill).

11
12 4. a. To participate in the program, each public utility, local
13 authority, or municipal utility shall enter into a vendor contract with
14 the department, on a form and in such manner as determined by the
15 commissioner, to provide assistance to qualified customers.
16 Notwithstanding any provision of law or regulation to the contrary,
17 and to the extent permitted under federal law, the vendor contract
18 shall not prohibit a public utility, local authority, or municipal
19 utility from undertaking any of the following actions after
20 enactment of P.L. , c. (C.) (pending before the Legislature
21 as this bill):

22 (1) assessing interest on the unpaid balance of the water or
23 wastewater service charges of any qualifying customer;

24 (2) discontinuing the water or wastewater service of any
25 qualifying customer for non-payment, except in the case of a
26 qualifying customer who is enrolled in a deferred payment
27 agreement with the public utility, local authority, or municipal
28 utility and complies with all requirements of the agreement; and

29 (3) placing, selling, or enforcing a lien on real property for the
30 unpaid balance of the water or wastewater service charges of any
31 qualifying customer.

32 b. (1) If a public utility, local authority, or municipal utility
33 fails to enter into a vendor contract with the department, or
34 otherwise fails to allow qualifying customers to receive assistance
35 under the program, the public utility, local authority, or municipal
36 utility shall be prohibited from:

37 (a) discontinuing the water or wastewater service of any
38 residential customer for non-payment; and

39 (b) placing, selling, or enforcing a lien on real property for the
40 unpaid balance of the water or wastewater service charges of any
41 residential customer.

42 (2) Upon entering into a vendor contract, each public utility,
43 local authority, or municipal utility shall advertise, pursuant to
44 paragraph (3) of this subsection, eligibility for the program:

45 (a) on the bills of every residential customer;

46 (b) on the official Internet website of the local authority or
47 municipality, as applicable; and

1 (c) in any written communication provided by the public utility,
2 local authority, or municipal utility to a residential customer in
3 connection with an overdue water or wastewater bill.

4 (3) Within 14 calendar days following the effective date of
5 P.L. , c. (C.) (pending before the Legislature as this bill),
6 the department shall prescribe the form and manner in which a
7 public utility, local authority, or municipal utility shall advertise
8 eligibility for the program pursuant to paragraph (2) of this
9 subsection, except that before such time, each public utility, local
10 authority, and municipal utility shall advertise eligibility for the
11 program in a form and manner determined by the public utility,
12 local authority, or municipal utility.

13 (4) Notwithstanding any provision to the contrary, this section
14 shall not apply to any municipal lien that was sold to a third party
15 before the effective date of P.L. , c. (C.) (pending before
16 the Legislature as this bill) or to the payment of unpaid water or
17 wastewater charges by a third party lienholder.

18 c. (1) Within 10 calendar days following the effective date
19 of P.L. , c. (C.) (pending before the Legislature as this
20 bill), the department shall provide written notice to each public
21 utility, local authority, or municipal utility concerning the
22 provisions of this section.

23 (2) A public utility, local authority, or municipal utility shall
24 document its compliance with the requirements of paragraph (2) of
25 subsection b. of this section, and the department shall require the
26 public utility, local authority, or municipal utility to submit written
27 documentation to the department attesting to such compliance.

28 d. (1) A public utility, local authority, or municipal utility
29 that violates the provisions of paragraph (1) of subsection b. of this
30 section shall be subject to a penalty of \$500 for each calendar day
31 in which water or wastewater service is discontinued for a
32 residential customer and a fine of \$100 for each instance in which
33 the public utility, local authority, or municipal utility fails to
34 advertise eligibility for the program pursuant to paragraphs (2) and
35 (3) of subsection b. of this section , including each residential
36 customer bill that fails to include this information. Any penalty
37 imposed under this section shall be collected, with costs, in a civil
38 action by a summary proceeding under the "Penalty Enforcement
39 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior
40 Court and the municipal court shall have jurisdiction over such
41 proceedings.

42 (2) If a public utility, local authority, or municipal utility
43 discontinues the water or wastewater service of a residential
44 customer for non-payment, in violation of the provisions of this
45 section, the discontinuance shall be nullified and service shall be
46 restored immediately.

47 (3) If a public utility, local authority, or municipal utility places,
48 sells, or enforces a lien on the real property of a residential

1 customer for the unpaid balance of water or wastewater service
2 charges, in violation of the provisions of this section, the lien shall
3 be deemed null and void.

4
5 5. a. Within 14 calendar days following the effective date
6 of P.L. , c. (C.) (pending before the Legislature as this
7 bill), the department shall provide written, plain language
8 instructions to each public utility, local authority, and municipal
9 utility concerning the duties and responsibilities of the public
10 utility, local authority, or municipal utility under the vendor
11 contract, any other duties and responsibilities of a public utility,
12 local authority, or municipal utility that enters into a vendor
13 contract, and any other information that the department may deem
14 appropriate. The instructions shall also include direct contact
15 information for one or more employees of the department who are
16 responsible for administering the program, which persons may
17 assist the public utility, local authority, or municipal utility in the
18 implementation of the program.

19 b. Within 14 calendar days following the effective date of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 and every 14 calendar days thereafter, the department shall provide
22 written notice to each public utility, local authority, or municipal
23 utility, which notice shall indicate:

24 (1) the name, address, and utility account number of each
25 residential customer of the public utility, local authority, or
26 municipal utility that has submitted an application to the department
27 for the program;

28 (2) the name, address, and utility account number of each
29 residential customer of the public utility, local authority, or
30 municipal utility that has been approved or denied by the
31 department to participate in the program; and

32 (3) any other information that the department deems
33 appropriate.

34 c. After a public utility, local authority, or municipal utility
35 receives written notice from the department, pursuant to paragraph
36 (2) of this subsection, that a qualifying customer has been approved
37 to participate in the program, the public utility, local authority, or
38 municipal utility shall immediately suspend any enforcement action
39 undertaken against the qualifying customer resulting from the non-
40 payment of water or wastewater charges.

41 d. Within 14 calendar days following the effective date of
42 P.L. , c. (C.) (pending before the Legislature as this bill),
43 and every 14 calendar days thereafter, each public utility, local
44 authority, and municipal utility shall provide written notice to the
45 department, which notice shall indicate the name, address, utility
46 account number, and current unpaid balances owed for each
47 residential customer of the public utility, local authority, or
48 municipal utility who is in arrears. The department shall use the

1 written notice to encourage otherwise eligible households to
2 participate in the program. The written notice shall be considered
3 confidential and shall not be available for public disclosure.

4
5 6. Within one year following the effective date of P.L. , c.
6 (C.) (pending before the Legislature as this bill), and annually
7 thereafter, the department shall submit a written report concerning
8 the operations of the program to the Governor, and to the
9 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).
10 In addition to any other information that the department deems
11 appropriate, the report shall indicate:

- 12 a. the number of persons who applied for the program;
13 b. the number of persons who have been approved and denied
14 for the program, respectively;
15 c. the number of public utilities, local authorities, and
16 municipal utilities that have entered into a vendor contract,
17 including the names of any such public utility, local authority, or
18 municipal utility; and
19 d. the amount of funding that has been expended on the
20 program, including administrative expenses and program assistance
21 payments, respectively.

22
23 7. The commissioner, in consultation with board and pursuant
24 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
25 1 et seq.), shall adopt rules and regulations to effectuate the
26 provisions of P.L. , c. (C.) (pending before the Legislature
27 as this bill).

28
29 8. There is appropriated from the General Fund to the
30 Department of Community Affairs the sum of \$25,000,000 to
31 provide grants to effectuate the purposes of P.L. , c. (C.)
32 (pending before the Legislature as this bill).

33
34 9. This act shall take effect immediately.

35
36
37 STATEMENT

38
39 This bill requires the Commissioner of Community Affairs
40 (commissioner), in consultation with the New Jersey Board of
41 Public Utilities (board), to establish the "New Jersey Low Income
42 Household Water Assistance Program" (program). The purpose of
43 the program is to provide affordability assistance for water and
44 sewer services to eligible households throughout New Jersey.
45 Under the bill, "eligible household" means a household that pays for
46 its own water or sewer services and which has a monthly household
47 income at or below 60 percent of the New Jersey State median
48 income, to be established by the Department of Community Affairs

1 based on the most recent Statewide data from the United States
2 Census Bureau.

3 Under the bill, the programs would provide the following types
4 of assistance:

- 5 • direct assistance;
- 6 • assistance to renters and other households who do not
7 receive a bill from a water system but pay other amounts,
8 fees, or charges related to residential water system service;
- 9 • water crisis intervention assistance;
- 10 • water efficiency, leak detection, and plumbing repair
11 measures for eligible households; and
- 12 • debt relief for arrears, including arrears accrued prior to
13 implementation of the program.

14 The commissioner is required to coordinate the program with any
15 existing assistance programs, and in developing the program, the
16 commissioner is also required to review and consider adapting
17 elements of one or more existing low-income energy assistance
18 programs, including the Universal Service Fund and the Low
19 Income Home Energy Assistance Program.

20 The bill also establishes the "New Jersey Low Income Household
21 Water Assistance Program Fund." The fund would be a non-lapsing
22 fund to contain monies appropriated annually by the Legislature,
23 federal and other grants received by the State, and any other monies
24 made available to fund the water affordability assistance required to
25 be provided in the bill.

26 To participate in the program, each public utility, local authority,
27 or municipal utility is required to enter into a vendor contract with
28 the department, on a form and in such manner as determined by the
29 commissioner, to provide assistance to eligible households.

30 The bill requires the commissioner to submit an annual written
31 report concerning the operations of the program to the Governor
32 and to the Legislature, which is required to include information
33 concerning:

- 34 • the number of persons who applied for the program;
- 35 • the number of persons who have been approved and denied
36 for the program, respectively;
- 37 • the number of public utilities, local authorities, and
38 municipal utilities that have entered into a vendor contract,
39 including the names of any such public utility, local
40 authority, or municipal utility; and
- 41 • the amount of funding that has been expended on the
42 program, including administrative expenses and program
43 assistance payments, respectively.

44 The bill appropriates \$25 million from the General Fund to the
45 Department of Community Affairs to provide grants to effectuate
46 the bill's provisions.