

ASSEMBLY, No. 3048

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 14, 2004

Sponsored by:

Assemblyman BRIAN P. STACK

District 33 (Hudson)

Assemblyman JOSEPH VAS

District 19 (Middlesex)

Assemblyman JOHN F. MCKEON

District 27 (Essex)

SYNOPSIS

Requires certain authorities to waive sewer and water connection fees for catastrophic events.

CURRENT VERSION OF TEXT

As introduced.



A3048 STACK, VAS

2

1 AN ACT requiring municipal and county sewerage authorities and
2 utilities authorities to waive connection fees for certain catastrophic
3 events, and amending and supplementing P.L.1946, c.138
4 (C.40:14A-1 et seq.) and P.L.1957, c.183 (C.40:14B-1 et seq.).
5

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

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

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

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

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 such periodic service charges, a separate charge in the nature of a
2 connection fee or tapping fee, in respect of each connection of any
3 property with the sewerage system, may be imposed upon the owner
4 or occupant of the property so connected. Such connection charges
5 shall be uniform within each class of users, except as provided by
6 section 2 of P.L. c. (C. _____)(now before the Legislature as this
7 bill), and the amount thereof shall not exceed the actual cost of the
8 physical connection, if made by the authority, plus an amount
9 computed in the following manner to represent a fair payment toward
10 the cost of the system:

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

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

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

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

42 (c) The sewerage authority shall prescribe and from time to time
43 when necessary revise a schedule of service charges, which shall
44 comply with the terms of any contract of the sewerage authority and
45 in any event shall be such that the revenues of the sewerage authority
46 will 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. The sewerage authority shall likewise fix and determine
20 the time or times when and the place or places where such service
21 charges shall be due and payable and may require that such service
22 charges shall be paid in advance for periods of not more than one year.
23 A copy of such schedule of service charges in effect shall at all times
24 be kept on file at the principal office of the sewerage authority and
25 shall at all reasonable times be open to public inspection.

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

34 (cf: P.L.1994, c.78, s.2)

35

36 2. (New section) a. A county, regional or municipal sewerage
37 authority shall waive the connection fee or tapping fee assessed
38 pursuant to section 8 of P.L.1946, c.138 (C.40:14A-8) for new
39 connections to the sewerage system whenever the unit has been
40 damaged by fire or other catastrophic event.

41 b. For units previously connected to the authority's system that
42 were refurbished and for which a connection or tapping fee was
43 previously paid, a county, regional or municipal sewerage authority
44 shall waive the connection fee or tapping fee to be assessed for
45 connection with the sewerage system whenever the unit has been
46 damaged by fire or other catastrophic event.

1 c. For the purposes of this section, "catastrophic event" means a
2 fire or any declared national, State or municipal emergency or a flood
3 or other natural disaster or event which substantially affects or
4 damages a building or structure.

5
6 3. Section 21 of P.L.1957, c.183 (C.40:14B-21) is amended to
7 read as follows:

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

41 Every municipal authority that furnishes water supply services or
42 operates water supply facilities shall establish a rate structure that
43 provides for uniform water service charges for water supply service
44 and fire protection systems.

45 No municipal authority may impose standby fees or charges for any
46 fire protection system to a residential customer served by a water

1 service line of two inches or less in diameter.

2 Nothing in this section shall preclude a municipal authority from
3 requiring separate dedicated service lines for fire protection. A
4 municipal authority may require that fire service lines be metered.
5 Nothing in this section shall alter the liability for maintenance and
6 repair of service lines which exists on the effective date of P.L.2003,
7 c.278.

8 b. In addition to any such water service charges, a separate charge
9 in the nature of a connection fee or tapping fee, in respect of each
10 connection of any property with the water system, may be imposed
11 upon the owner or occupant of the property so connected. Such
12 connection charges shall be uniform within each class of users, except
13 as provided by section 5 of P.L. c. (C. _____)(now before the
14 Legislature as this bill), and the amount thereof shall not exceed the
15 actual cost of the physical connection, if made by the authority, plus
16 an amount computed in the following manner to represent a fair
17 payment toward the cost of the system:

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

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

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

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

1 connection fee or tapping fee and the aforesaid water service charges
2 all meet the requirements of section 23 of P.L.1957, c.183
3 (C.40:14B-23).

4 d. The foregoing notwithstanding, no municipal authority shall
5 impose any charges or fees in excess of the cost of water actually used
6 for any sprinkler system required to be installed in any residential
7 health care facility pursuant to the "Health Care Facilities Planning
8 Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and regulations
9 promulgated thereunder or in any rooming or boarding house pursuant
10 to the "Rooming and Boarding House Act of 1979," P.L.1979, c.496
11 (C.55:13B-1 et al.) and regulations promulgated thereunder. Nothing
12 herein shall preclude any municipal authority from charging for the
13 actual cost of water main connections, except as provided by section
14 5 of P.L. c. (C. _____)(now before the Legislature as this bill).
15 (cf: P.L.2003, c.278, s.1)

16

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

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

1 or on any combination of any such factors, and may give weight to the
2 characteristics of the sewage and other wastes and any other special
3 matter affecting the cost of treatment and disposal of the same,
4 including chlorine demand, biochemical oxygen demand, concentration
5 of solids and chemical composition, and, as to service outside the
6 district, the cost of installation of necessary physical properties.

7 In addition to any such sewerage service charges, a separate charge
8 in the nature of a connection fee or tapping fee, in respect of each
9 connection of any property with the sewerage system, may be imposed
10 upon the owner or occupant of the property so connected. Such
11 connection charges shall be uniform within each class of users, except
12 as provided by section 5 of P.L. c. (C.) (now before the
13 Legislature as this bill), and the amount thereof shall not exceed the
14 actual cost of the physical connection, if made by the authority, plus
15 an amount computed in the following manner to represent a fair
16 payment towards the cost of the system:

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

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

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

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

46 The combination of such connection fee or tapping fee and the

1 aforesaid sewerage service charges shall meet the requirements of
2 section 23.

3 (cf: P.L.1992, c.215, s.2)

4

5 5. (New section) a. (1) A county, regional or municipal utilities
6 authority shall waive the connection fee or tapping fee assessed
7 pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21) for new
8 connections to the water system whenever the unit has been damaged
9 by fire or other catastrophic event.

10 (2) A county, regional or municipal utilities authority shall waive
11 the connection fee or tapping fee assessed pursuant to section 22 of
12 P.L.1957, c.183 (C.40:14B-22) for new connections to the sewerage
13 system whenever the unit has been damaged by fire or other
14 catastrophic event.

15 b. For units previously connected to the authority's system that
16 were refurbished and for which a connection or tapping fee was
17 previously paid, a county, regional or municipal sewerage authority
18 shall waive the connection fee or tapping fee to be assessed for
19 connection with the sewerage system or the water system, or both, as
20 the case may be, whenever the unit has been damaged by fire or other
21 catastrophic event.

22 c. For the purposes of this section, "catastrophic event" means a
23 fire or any declared national, State or municipal emergency or a flood
24 or other natural disaster or event which substantially affects or
25 damages a building or structure.

26

27 6. This act shall take effect immediately.

28

29

STATEMENT

30

31 This bill requires regional, county and municipal sewerage
32 authorities created pursuant to the "sewerage authorities law,"
33 P.L.1946, c.138 (C.40:14A-1 et seq.) and regional, county and
34 municipal utility authorities created pursuant to the "municipal and
35 county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.)
36 to waive the connection fee or tapping fee assessed for new
37 connections to the sewer system or water system, or both, whenever
38 the unit has been damaged by fire or other catastrophic event. A
39 "catastrophic event" refers to a fire or any declared national, State or
40 municipal emergency or a flood or other natural disaster or event
41 which substantially affects or damages a building or structure. For
42 units previously connected to an authority's system that were
43 refurbished and for which a connection or tapping fee was previously
44 paid, the authority shall waive the connection fee or tapping fee to be
45 assessed for connection with the sewerage system or the water system,
46 or both, whenever the unit has been damaged by fire or other
47 catastrophic event.