

P.L. 2018, CHAPTER 114, *approved August 24, 2018*
Assembly, No. 4120

1 **AN ACT** concerning replacement of lead-contaminated water service
2 line connections and amending various parts of the statutory law.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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

9 3. As used in this act, unless a different meaning clearly
10 appears from the context:

11 (1) "Municipality" shall mean any city of any class, any
12 borough, village, town, township, or any other municipality other
13 than a county or a school district, and except when used in section
14 4, 5, 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any
15 two or more thereof acting jointly or any joint meeting or other
16 agency of any two or more thereof;

17 (2) "County" shall mean any county of any class;

18 (3) "Governing body" shall mean, in the case of a county, the
19 board of chosen freeholders, or in the case of those counties
20 organized pursuant to the provisions of the "Optional County
21 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of
22 chosen freeholders and the county executive, the county supervisor
23 or the county manager, as appropriate, and, in the case of a
24 municipality, the commission, council, board or body, by whatever
25 name it may be known, having charge of the finances of the
26 municipality;

27 (4) "Person" shall mean any person, association, corporation,
28 nation, state or any agency or subdivision thereof, other than a
29 county or municipality of the State or a municipal authority;

30 (5) "Municipal authority," "authority," or "water reclamation
31 authority" shall mean a public body created or organized pursuant
32 to section 4, 5 or 6 of this act and shall include a municipal utilities
33 authority created by one or more municipalities and a county
34 utilities authority created by a county;

35 (6) Subject to the exceptions provided in section 10, 11 or 12 of
36 this act, "district" shall mean the area within the territorial
37 boundaries of the county, or of the municipality or municipalities,
38 which created or joined in or caused the creation or organization of
39 a municipal authority;

40 (7) "Local unit" shall mean the county, or any municipality,
41 which created or joined in or caused the creation or organization of
42 a municipal authority;

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 (8) "Water system" shall mean the plants, structures and other
2 real and personal property acquired, constructed or operated or to be
3 acquired, constructed or operated by a municipal authority or by
4 any person to whom a municipal authority has extended credit for
5 this purpose for the purposes of the municipal authority, including
6 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,
7 pipelines, mains, pumping stations, water distribution systems,
8 compensating reservoirs, waterworks or sources of water supply,
9 wells, purification or filtration plants or other plants and works,
10 connections, rights of flowage or division, and other plants,
11 structures, boats, conveyances, and other real and personal property,
12 and rights therein, and appurtenances necessary or useful and
13 convenient for the accumulation, supply and redistribution of water.

14 The term "water system" shall include the replacement of service
15 connections to a publicly-owned water system, from the distribution
16 main onto privately-owned real property and into a privately-owned
17 structure, when used in reference to a project undertaken for the
18 purpose of replacing lead-contaminated service connections,
19 regardless of possible private service connection ownership, so long
20 as the project is (a) an environmental infrastructure project, as
21 defined under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b)
22 funded either by loans from the New Jersey Infrastructure Bank,
23 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by
24 loans issued through the Department of Environmental Protection;

25 (9) "Sewerage system" shall mean the plants, structures, on-site
26 wastewater systems and other real and personal property acquired,
27 constructed or operated or to be acquired, constructed, maintained
28 or operated by a municipal authority or by any person to whom a
29 municipal authority has extended credit for this purpose for the
30 purposes of the municipal authority, including sewers, conduits,
31 pipelines, mains, pumping and ventilating stations, sewage
32 treatment or disposal systems, plants and works, connections,
33 outfalls, compensating reservoirs, and other plants, structures,
34 boats, conveyances, and other real and personal property, and rights
35 therein, and appurtenances necessary or useful and convenient for
36 the collection, treatment, purification or disposal in a sanitary
37 manner of any sewage, liquid or solid wastes, night soil or
38 industrial wastes;

39 (10) "Utility system" shall mean a water system, solid waste
40 system, sewerage system, or a hydroelectric system or any
41 combination of such systems, acquired, constructed or operated or
42 to be acquired, constructed or operated by a municipal authority or
43 by any person to whom a municipal authority has extended credit
44 for this purpose;

45 (11) "Cost" shall mean, in addition to the usual connotations
46 thereof, the cost of acquisition or construction of all or any part of a
47 utility system and of all or any property, rights, easements,
48 privileges, agreements and franchises deemed by the municipal

1 authority to be necessary or useful and convenient therefor or in
2 connection therewith and the cost of retiring the present value of the
3 unfunded accrued liability due and owing by a municipal authority,
4 as calculated by the system actuary for a date certain upon the
5 request of a municipal authority, for early retirement incentive
6 benefits granted by the municipal authority pursuant to P.L.1991,
7 c.230 and P.L.1993, c.181, including interest or discount on bonds,
8 cost of issuance of bonds, engineering and inspection costs and
9 legal expenses, cost of financial, professional and other estimates
10 and advice, organization, administrative, operating and other
11 expenses of the municipal authority prior to and during such
12 acquisition or construction, and all such other expenses as may be
13 necessary or incident to the financing, acquisition, construction and
14 completion of said utility system or part thereof and the placing of
15 the same in operation, and also such provision or reserves for
16 working capital, operating, maintenance or replacement expenses or
17 for payment or security of principal of or interest on bonds during
18 or after such acquisition or construction as the municipal authority
19 may determine, and also reimbursements to the municipal authority
20 or any county, municipality or other person of any moneys
21 theretofore expended for the purposes of the municipal authority or
22 to any county or municipality of any moneys theretofore expended
23 for or in connection with water supply, solid waste, water
24 distribution, sanitation or hydroelectric facilities;

25 (12) "Real property" shall mean lands both within or without the
26 State, and improvements thereof or thereon, or any rights or
27 interests therein;

28 (13) "Construct" and "construction" shall connote and include
29 acts of construction, reconstruction, replacement, extension,
30 improvement and betterment of a utility system;

31 (14) "Industrial wastes" shall mean liquid or other wastes
32 resulting from any processes of industry, manufacture, trade or
33 business or from the development of any natural resource, and shall
34 include any chemical wastes or hazardous wastes;

35 (15) "Sewage" shall mean the water-carried wastes created in and
36 carried, or to be carried, away from, or to be processed by on-site
37 wastewater systems, residences, hotels, apartments, schools,
38 hospitals, industrial establishments, or any other public or private
39 building, together with such surface or ground water and industrial
40 wastes and leacheate as may be present;

41 (16) "On-site wastewater system" means any of several facilities,
42 septic tanks or other devices, used to collect, treat, reclaim, or
43 dispose of wastewater or sewage on or adjacent to the property on
44 which the wastewater or sewage is produced, or to convey such
45 wastewater or sewage from said property to such facilities as the
46 authority may establish for its disposal;

47 (17) "Pollution" means the condition of water resulting from the
48 introduction therein of substances of a kind and in quantities

1 rendering it detrimental or immediately or potentially dangerous to
2 the public health, or unfit for public or commercial use;

3 (18) "Bonds" shall mean bonds or other obligations issued
4 pursuant to this act;

5 (19) "Service charges" shall mean water service charges, solid
6 waste service charges, sewer service charges, hydroelectric service
7 charges or any combination of such charges, as said terms are
8 defined in section 21 or 22 of this act or in section 7 of this
9 amendatory and supplementary act;

10 (20) "Compensating reservoir" shall mean the structures,
11 facilities and appurtenances for the impounding, transportation and
12 release of water for the replenishment in periods of drought or at
13 other necessary times of all or a part of waters in or bordering the
14 State diverted into a utility system operated by a municipal
15 authority;

16 (21) "Sewage or water reclamation authority" shall mean a public
17 body created pursuant to the "sewerage authorities law," P.L.1946,
18 c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or
19 supplemental thereto;

20 (22) "County sewer authority" shall mean a sanitary sewer
21 district authority created pursuant to the act entitled "An act relating
22 to the establishment of sewerage districts in first- and second-class
23 counties, the creation of Sanitary Sewer District Authorities by the
24 establishing of such districts, prescribing the powers and duties of
25 any such authority and of other public bodies in connection with the
26 construction of sewers and sewage disposal facilities in any such
27 district, and providing the ways and means for paying the costs of
28 construction and operation thereof," approved April 23, 1946
29 (P.L.1946, c.123), or the acts amendatory thereof or supplemental
30 thereto;

31 (23) "Chemical waste" shall mean a material normally generated
32 by or used in chemical, petrochemical, plastic, pharmaceutical,
33 biochemical or microbiological manufacturing processes or
34 petroleum refining processes, which has been selected for waste
35 disposal and which is known to hydrolize, ionize or decompose,
36 which is soluble, burns or oxidizes, or which may react with any of
37 the waste materials which are introduced into the landfill, or which
38 is buoyant on water, or which has a viscosity less than that of water
39 or which produces a foul odor. Chemical waste may be either
40 hazardous or nonhazardous;

41 (24) "Effluent" shall mean liquids which are treated in and
42 discharged by sewage treatment plants;

43 (25) "Hazardous wastes" shall mean any waste or combination of
44 waste which poses a present or potential threat to human health,
45 living organisms or the environment. "Hazardous waste" shall
46 include, but not be limited to, waste material that is toxic, corrosive,
47 irritating, sensitizing, radioactive, biologically infectious, explosive
48 or flammable;

1 (26) "Leachate" shall mean a liquid that has been in contact with
2 solid waste and contains dissolved or suspended materials from that
3 solid waste;

4 (27) "Recycling" shall mean the separation, collection,
5 processing or recovery of metals, glass, paper, solid waste and other
6 materials for reuse or for energy production and shall include
7 resource recovery;

8 (28) "Sludge" shall mean any solid, semisolid, or liquid waste
9 generated from a municipal, industrial or other sewage treatment
10 plant, water supply treatment plant, or air pollution control facility,
11 or any other such waste having similar characteristics and effects;
12 "sludge" shall not include effluent;

13 (29) "Solid waste" shall mean garbage, refuse, and other
14 discarded materials resulting from industrial, commercial and
15 agricultural operations, and from domestic and community
16 activities, and shall include all other waste materials including
17 sludge, chemical waste, hazardous wastes and liquids, except for
18 liquids which are treated in public sewage treatment plants and
19 except for solid animal and vegetable wastes collected by swine
20 producers licensed by the State Department of Agriculture to
21 collect, prepare and feed such wastes to swine on their own farms;

22 (30) "Solid waste system" shall mean and include the plants,
23 structures and other real and personal property acquired,
24 constructed or operated or to be acquired, constructed or operated
25 by an authority or by any person to whom a municipal authority has
26 extended credit for this purpose pursuant to the provisions of this
27 act, including transfer stations, incinerators, recycling facilities,
28 including facilities for the generation, transmission and distribution
29 of energy derived from the processing of solid waste, sanitary
30 landfill facilities or other property or plants for the collection,
31 recycling or disposal of solid waste and all vehicles, equipment and
32 other real and personal property and rights thereon and
33 appurtenances necessary or useful and convenient for the collection,
34 recycling, or disposal of solid waste in a sanitary manner;

35 (31) "Hydroelectric system" shall mean the plants, structures and
36 other real and personal property acquired, constructed or operated
37 or to be acquired, constructed or operated by an authority pursuant
38 to the provisions of this act, including all that which is necessary or
39 useful and convenient for the generation, transmission and sale of
40 hydroelectric power at wholesale;

41 (32) "Hydroelectric power" shall mean the production of electric
42 current by the energy of moving water;

43 (33) "Sale of hydroelectric power at wholesale" shall mean any
44 sale of hydroelectric power to any person for purposes of resale of
45 such power;

46 (34) "Alternative electrical energy" shall mean electrical energy
47 produced from solar, photovoltaic, wind, geothermal, or biomass

1 technologies, provided that in the case of biomass technology, the
2 biomass is cultivated and harvested in a sustainable manner;

3 (35) "Alternative electrical energy system" shall mean any
4 system which uses alternative electrical energy to provide all or a
5 portion of the electricity for the heating, cooling, or general
6 electrical energy needs of a building;

7 (36) "Pilot county" shall mean a county of the second class
8 having a population between 280,000 and 290,000, a population
9 between 510,000 and 520,000, and a population between 530,000
10 and 540,000 according to the 2010 federal decennial census; and

11 (37) "Pilot county utilities authority" shall mean a county
12 utilities authority in a county designated as a pilot county.
13 (cf: P.L.2013, c.190, s.3)

14

15 2. Section 20 of P.L.1957, c.183 (C.40:14B-20) is amended to
16 read as follows:

17 20. Every municipal authority shall be a public body politic and
18 corporate constituting a political subdivision of the State
19 established as an instrumentality exercising public and essential
20 governmental functions to provide for the public health and welfare
21 and shall have perpetual succession and have the following powers:

22 (1) To adopt and have a common seal and to alter the same at
23 pleasure;

24 (2) To sue and be sued;

25 (3) In the name of the municipal authority and on its behalf, to
26 acquire, hold, use and dispose of its service charges and other
27 revenues and other moneys;

28 (4) In the name of the municipal authority but for the local unit
29 or units, to acquire, rent, hold, lease as lessor, use and dispose of
30 other personal property for the purposes of the municipal authority;

31 (5) In the name of the municipal authority but for the local unit
32 or units and subject to the limitations of this act, to acquire by
33 purchase, gift, condemnation or otherwise, or lease as lessee, real
34 property and easements therein, necessary or useful and convenient
35 for the purposes of the municipal authority, and subject to
36 mortgages, deeds of trust or other liens, or otherwise, and to hold,
37 lease as lessor, and to use the same, and to dispose of property so
38 acquired no longer necessary for the purposes of the municipal
39 authority;

40 (6) To produce, develop, purchase, accumulate, distribute and
41 sell water and water services, facilities and products within or
42 without the district, provided that no water shall be sold at retail in
43 any municipality or county without the district unless the governing
44 body of such municipality or county shall have adopted a resolution
45 requesting the municipal authority to sell water at retail in such
46 municipality or county, and the board of public utility
47 commissioners shall have approved such resolution as necessary
48 and proper for the public convenience;

1 (7) To provide for and secure the payment of any bonds and the
2 rights of the holders thereof, and to purchase, hold and dispose of
3 any bonds;

4 (8) To accept gifts or grants of real or personal property, money,
5 material, labor or supplies for the purposes of the municipal or
6 county authority, and to make and perform such agreements and
7 contracts as may be necessary or convenient in connection with the
8 procuring, acceptance or disposition of such gifts or grants;

9 (9) To enter on any lands, waters or premises for the purpose of
10 making surveys, borings, soundings and examinations for the
11 purposes of the municipal authority, and whenever the operation of
12 a septic tank or other component of an on-site wastewater system
13 shall result in the creation of pollution or contamination source on
14 private property such that under the provisions of R.S.26:3-49, a
15 local board of health would have the authority to notify the owner
16 and require said owner to abate the same, representatives of an
17 authority shall have the power to enter, at all reasonable times, any
18 premises on which such pollution or contamination source shall
19 exist, for the purpose of inspecting, rehabilitating, securing samples
20 of any discharges, improving, repairing, replacing, or upgrading
21 such septic tank or other component of an on-site wastewater
22 system;

23 (10) To establish an inspection program to be performed at least
24 once every three years on all on-site wastewater systems installed
25 within the district which inspection program shall contain the
26 following minimum notice provisions: (i) not less than 30 days
27 prior to the date of the inspection of any on-site wastewater system
28 as described herein, the authority shall notify the owner and
29 resident of the property that the inspection will occur; and (ii) not
30 less than 60 days prior to the date of the performance of any work
31 other than an inspection, the municipal authority shall provide
32 notice to the owner and resident of the property in which the work
33 will be performed. The notice to be provided to such owner and
34 resident under this subsection shall include a description of the
35 deficiency which necessitates the work and the proposed remedial
36 action, and the proposed date for beginning and duration of the
37 contemplated remedial action;

38 (11) To prepare and file in the office of the municipal authority
39 records of all inspections, rehabilitation, maintenance, and work,
40 performed with respect to on-site wastewater disposal systems;

41 (12) To make and enforce bylaws or rules and regulations for the
42 management and regulation of its business and affairs and for the
43 use, maintenance and operation of the utility system and any other
44 of its properties, and to amend the same;

45 (13) To do and perform any acts and things authorized by this act
46 under, through or by means of its own officers, agents and
47 employees, or by contracts with any person;

1 (14) To enter into any and all contracts, execute any and all
2 instruments, and do and perform any and all acts or things
3 necessary, convenient or desirable for the purposes of the municipal
4 authority or to carry out any power expressly given in this act
5 subject to the "Local Public Contracts Law," P.L.1971, c.198
6 (C.40A:11-1 et seq.);

7 (15) To extend credit or make loans to any person for the
8 planning, designing, acquiring, constructing, reconstructing,
9 improving, equipping, furnishing, and operating by that person of
10 any part of a solid waste system, sewage treatment system,
11 wastewater treatment or collection system for the provision of
12 services and facilities within or without the district, which in the
13 case of a solid waste system shall be in a manner consistent with the
14 "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.)
15 and in conformance with the solid waste management plans adopted
16 by the solid waste management districts created therein. The
17 credits or loans may be secured by loan and security agreements,
18 mortgages, leases and any other instruments, upon such terms as the
19 authority shall deem reasonable, including provision for the
20 establishment and maintenance of reserve and insurance funds, and
21 to require the inclusion in any mortgage, lease, contract, loan and
22 security agreement or other instrument, provisions for the
23 construction, use, operation and maintenance and financing of that
24 part of the aforementioned systems as the authority may deem
25 necessary or desirable;

26 (16) Upon the request of a customer: (i) to offer the customer the
27 ability to receive or access, in electronic format, any periodic bill
28 for service sent by the municipal authority to its customers and any
29 additional information sent by the municipal authority to its
30 customers as required by law, provided that any notice of
31 disconnection, discontinuance or termination of service shall be
32 sent to a customer in written form at the customer's legal mailing
33 address in addition to being sent or being made available in
34 electronic format; and (ii) to provide the customer the option of
35 paying any such periodic bill via electronic means; **[and]**

36 (17) In the case of an authority that is a pilot county utilities
37 authority, to fund improvements to county infrastructure pursuant to
38 the provisions of subsection b. of section 40 of P.L.1957, c.183
39 (C.40:14B-40); and

40 (18) To construct or reconstruct and finance service connections
41 to a publicly-owned water system, from the distribution main onto
42 privately-owned real property and into the privately-owned
43 structure, for the purpose of replacing lead contaminated service
44 connections, regardless of possible private service connection
45 ownership, so long as the project is (a) undertaken as an
46 environmental infrastructure project, as defined under section 3 of
47 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from
48 the New Jersey Infrastructure Bank, created pursuant to section 4 of

1 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the
2 Department of Environmental Protection.

3 (cf: P.L.2013, c.190, s.5)
4

5 3. R.S.40:56-1 is amended to read as follows:

6 R.S.40:56-1. A local improvement is one, the cost of which, or a
7 portion thereof, may be assessed upon the lands in the vicinity
8 thereof benefited thereby.

9 Any municipality may undertake any of the following works as a
10 local improvement; and the governing body thereof may make,
11 amend, repeal and enforce ordinances for carrying into effect all
12 powers granted in this section:

13 a. The laying out, opening or establishing of a new street,
14 alley, or other public highway, or portion thereof.

15 b. The widening, straightening, extension, alteration or
16 changing in any manner of the location of a street, alley or other
17 public highway, or portion thereof.

18 c. The grading or alteration of the grade of a street, alley or
19 other public highway, or portion thereof.

20 d. The paving, repaving, or otherwise improving or
21 reimproving a street, alley or other public highway, or portion
22 thereof.

23 e. The curbing or recurbing, guttering or reguttering of a
24 sidewalk in, upon, or along a street, alley or other public highway,
25 or portion thereof.

26 f. The construction, reconstruction, improvement and
27 reimprovement of bridges and viaducts.

28 g. The construction, reconstruction, improvement,
29 reimprovement or relocation of a public walk or driveway on any
30 beach, or along the ocean or any river or other waterway.

31 h. The improvement or reimprovement of any beach or water
32 front, and the providing of suitable protection to prevent damage to
33 lands or property by the ocean or other waters, including the filing
34 in and grading necessary for the protection of such improvements.

35 i. The construction, reconstruction, enlargement or extension
36 of a sewer or drain in, under or along a street, alley or public
37 highway, or portion thereof, or in, under or along any public or
38 private lands; the construction, reconstruction, enlargement or
39 extension of a system of sewerage or drainage or both combined;
40 the construction, reconstruction, enlargement or extension of a
41 system of drainage of the marshes and wet lowlands within the
42 municipality; the construction, reconstruction, enlargement or
43 alteration of a system of works for the sanitary disposal of sewage
44 or drainage.

45 j. (1) The installation of service connections to a system of
46 water, gas, light, heat or power works owned by a municipality or
47 otherwise, including all such works as may be necessary for
48 supplying water, gas, light, heat or power to real estate for whose

1 benefit such services are provided. This authorization includes, but
2 shall not be limited to, the installation of service connections to a
3 publicly-owned water system, from the distribution main onto
4 privately-owned real property and into the privately-owned
5 structure, for the purpose of replacing lead-contaminated service
6 connections, regardless of possible private service connection
7 ownership, so long as the project is (a) undertaken as an
8 environmental infrastructure project, as defined under section 3 of
9 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from
10 the New Jersey Infrastructure Bank, created pursuant to section 4 of
11 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the
12 Department of Environmental Protection;

13 (2) The installation of service connections including the laying,
14 construction or placing of mains, conduits or cables in, under or
15 along a street, alley or other public highway or portion thereof.

16 k. The construction, reconstruction, enlargement or extension
17 of any water main or other works for the distribution of water
18 supplied by the State or any of its political subdivisions, or any
19 public agency of any of the same.

20 l. The installation of such lighting standards, appliances and
21 appurtenances as may be required for the brilliant illumination of
22 the streets in those parts of the municipality where the governing
23 body of the municipality may deem it necessary or proper to
24 establish what is commonly called a "white way."

25 m. The widening, deepening or improvement of any stream,
26 creek, river or other waterway.

27 n. The removal of obstructions in, and the constructing,
28 reconstructing, enlarging or extending of any waterway, of
29 enclosing walls, or of a pipe or conduit or any brook or
30 watercourse, or part of same.

31 o. The defining of the location and the establishment of widths,
32 grades and elevations of any stream, creek, river or other waterway,
33 and the preventing of encroachments upon the same.

34 p. The reclaiming, filling and improving and bulkheading and
35 filling in lands lying under tidal or other water, in whole or in part,
36 within the municipality; the reclaiming or filling or bulkheading
37 and filling those lands or lands adjacent to such reclaimed or filled
38 lands; to dredge channels or improve harbor approaches in the
39 waters abounding the lands to be reclaimed, filled and improved, or
40 bulkheaded and filled; provided, the approval of the Planning and
41 Development Council of the Division of Planning and Development
42 in the Department of Conservation and Economic Development of
43 the State of New Jersey, and when necessary, the permission of the
44 Federal authorities in charge of the district port in which the
45 improvements are proposed to be made, to improve and dredge
46 channels and construct and improve the harbor approaches to those
47 lands, shall be first had and obtained.

1 The governing body may enter into agreements with the Federal
2 Government for reimbursement to the municipality for all or a
3 portion of the cost of dredging channels or improving harbor
4 approaches in waters under the jurisdiction of the Federal
5 Government.

6 If any portion of the amount assessed against the lands within the
7 municipality for the improvement shall be reimbursed to the
8 municipality by the Federal Government after the assessment has
9 been made, then a credit shall be made on each assessment levied
10 in proportion to the amount so received from the Federal
11 Government; provided, the amount received by the municipality
12 from the Federal Government shall be in excess of the amount
13 fixed in the assessment to be borne by the municipality at large.

14 If any portion of the land included within lands benefited or
15 improved by any work done in connection with the reclaiming,
16 filling or bulkheading and filling shall be riparian lands or lands
17 under water, for which the riparian grant has not theretofore been
18 made by the State, the municipal board or body authorized to make
19 assessments for improvements in accordance with this subtitle may
20 include in any such assessment a prospective assessment against the
21 riparian lands or lands under water, and a copy of such prospective
22 assessment shall be filed with the Planning and Development
23 Council of the Division of Planning and Development in the
24 Department of Conservation and Economic Development of the
25 State of New Jersey and shall be a part of the records of that
26 council. Upon the sale or grant by the State of the riparian rights to
27 any such lands for which a prospective assessment has been filed
28 with the council, the amount of such prospective assessment
29 together with interest at the rate of five per centum (5%) per annum
30 from the time of the confirmation of the assessment for the
31 improvement shall be included by said Planning and Development
32 Council in the purchase price fixed for such lands and made a part
33 of the payment for the grant, and the amount of the assessment with
34 interest, when paid, shall be turned over by said Planning and
35 Development Council to the municipality making the assessment.
36 Such prospective assessment shall also be included in the general
37 assessment for and against any such riparian lands or lands under
38 water for which an annual rental or fee is being charged or collected
39 by said Planning and Development Council under any agreement by
40 which the fee of any such riparian lands is passed, and when the
41 fee does so pass by grant from the State the prospective assessment
42 shall become immediately due and payable, together with interest
43 thereon at the rate of five per centum (5%) per annum from the
44 time of the confirmation of the assessment for the improvement
45 and the assessment shall become a lien upon those lands until paid
46 and shall be collectible as other liens for public improvements in
47 the municipality. Should said Planning and Development Council
48 lease for a term of years any such riparian lands or lands under

1 water, included within lands benefited or improved by any work
2 done in connection with the reclaiming, filling or bulkheading and
3 filling, it shall include in the annual rental to be charged therefor
4 one-tenth of the amount of the prospective assessment for each
5 year of the term not exceeding ten years until the prospective
6 assessment and the interest thereon at the rate of five per centum
7 (5%) per annum from the time of confirmation of the assessment for
8 the improvement, shall be paid. If the lease shall be for a period
9 less than ten years, such provision shall be contained in any and all
10 extensions and renewals thereof, or in any new leases until the full
11 prospective assessment with such interest shall have been paid.
12 Nothing contained in this subparagraph shall apply to lands owned
13 by a company whose rates are subject to regulation by the Board of
14 Public Utility Commissioners.

15 Whenever convenient more than one of the works provided for in
16 this section may be carried on as one improvement. Any
17 municipality may undertake any or all of the works mentioned in
18 this section as a general improvement to be paid for by general
19 taxation, and any municipality may provide for the maintenance,
20 repair and operation of any or all of said works by taxation whether
21 the same are undertaken as local or general improvements.

22 (cf: P.L.1951, c.175, s.1)

23

24 4. N.J.S.40A:2-22 is amended to read as follows:

25 40A:2-22. The governing body of the local unit shall determine
26 the period of usefulness of any purpose according to its reasonable
27 life computed from the date of the bonds, which period shall not be
28 greater than the following:

29 a. Buildings and structures.

30 1. Bridges, including retaining walls and approaches, or
31 permanent structures of brick, stone, concrete or metal, or similar
32 durable construction, 30 years.

33 2. Buildings, including the original furnishings and equipment
34 therefor:

35 Class A: A building, of which all walls, floors, partitions, stairs
36 and roof are wholly of incombustible material, except the window
37 frames, doors, top flooring and wooden handrails on the stairs, 40
38 years;

39 Class B: A building, the outer walls of which are wholly of
40 incombustible material, except the window frames and doors, 30
41 years;

42 Class C: A building which does not meet the requirements of
43 Class A or Class B, 20 years.

44 3. Buildings or structures acquired substantially reconstructed
45 or additions thereto, one-half the period fixed in this subsection for
46 such buildings or structures.

47 4. Additional furnishings, five years.

48 b. Marine improvements.

- 1 1. Harbor improvements, docks or marine terminals, 40 years.
- 2 2. Dikes, bulkheads, jetties or similar devices of stone,
- 3 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 4 c. Additional equipment and machinery.
- 5 1. Additional or replacement equipment and machinery, 15
- 6 years.
- 7 2. Voting machines, 15 years.
- 8 3. Information technology and telecommunications equipment,
- 9 7 years, except that for items with a unit cost of less than \$5,000, 5
- 10 years.
- 11 d. Real property.
- 12 1. Acquisition for any public purpose of lands or riparian
- 13 rights, or both, and the original dredging, grading, draining or
- 14 planting thereof, 40 years.
- 15 2. Improvement of airport, cemetery, golf course, park,
- 16 playground, 15 years.
- 17 3. Stadia of concrete or other incombustible materials, 20
- 18 years.
- 19 e. Streets or thoroughfares.
- 20 1. Elimination of grade crossings, 35 years.
- 21 2. Streets or roads:
- 22 Class A: Rigid pavement. A pavement of not less than eight
- 23 inches of cement concrete or a six-inch cement concrete base with
- 24 not less than three-inch bituminous concrete surface course, or
- 25 equivalent wearing surface, 20 years.
- 26 Flexible pavement. A pavement not less than 10 inches in depth
- 27 consisting of five-inch macadam base, three-inch modified
- 28 penetration macadam and three-inch bituminous concrete surface
- 29 course or other pavements of equivalent strength, in accordance
- 30 with the findings of the American Association of State Highway
- 31 Officials (AASHO) Road Test, 20 years.
- 32 Class B: Mixed surface-treated road. An eight-inch surface of
- 33 gravel, stone or other selected material under partial control mixed
- 34 with cement or lime and fly ash, six inches in compacted thickness
- 35 with bituminous surface treatment and cover, 10 years.
- 36 Bituminous penetration road. A five-inch gravel or stone base
- 37 course and a three-inch course bound with a bituminous or
- 38 equivalent binder, 10 years.
- 39 Class C: Mixed bituminous road. An eight-inch surface of
- 40 gravel, stone, or other selected material under partial control mixed
- 41 with bituminous material one inch or more in compacted thickness,
- 42 five years.
- 43 Penetration macadam road. A road of sand, gravel or water-
- 44 bound macadam, or surfacing with penetration macadam, five years.
- 45 3. Sidewalks, curbs and gutters of stone, concrete or brick, 10
- 46 years.
- 47 The period of usefulness in this subsection shall apply to
- 48 construction and reconstruction of streets and thoroughfares.

- 1 f. Utilities and municipal systems.
- 2 1. Sewerage system, whether sanitary or storm water, water
- 3 supply or distribution system, 40 years.
- 4 2. Electric light, power or gas systems, garbage, refuse or ashes
- 5 incinerator or disposal plant, 25 years.
- 6 3. Communication and signal systems, 10 years.
- 7 4. House connections to publicly-owned gas, water or sewerage
- 8 systems from the service main in the street to the curb or property
- 9 lines where not part of original installation, five years.
- 10 5. House connections to publicly-owned water systems, from
- 11 the distribution main onto privately-owned real property and into
- 12 the privately-owned structure, for the purpose of replacing lead-
- 13 contaminated house connections, so long as the project is (a)
- 14 undertaken as an environmental infrastructure project, as defined
- 15 under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b) funded
- 16 either by loans from the New Jersey Infrastructure Bank, created
- 17 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans
- 18 issued through the Department of Environmental Protection, 30
- 19 years.
- 20 g. Vehicles and apparatus.
- 21 1. Fire engines, apparatus and equipment, when purchased
- 22 new, but not fire equipment purchased separately, 10 years.
- 23 2. Automotive vehicles, including original apparatus and
- 24 equipment (other than passenger cars and station wagons), when
- 25 purchased new, five years.
- 26 3. Major repairs, reconditioning or overhaul of fire engines and
- 27 apparatus, ambulances, rescue vehicles, and similar public safety
- 28 vehicles (other than passenger cars and station wagons) which may
- 29 reasonably be expected to extend for at least five years the period of
- 30 usefulness thereof, five years.
- 31 h. The closure of a sanitary landfill facility utilized, owned or
- 32 operated by a county or municipality, 15 years; provided that the
- 33 closure has been approved by the Board of Public Utilities and the
- 34 Department of Environmental Protection. For the purposes of this
- 35 subsection "closure" means all activities associated with the design,
- 36 purchase or construction of all measures required by the
- 37 Department of Environmental Protection, pursuant to law, in order
- 38 to prevent, minimize or monitor pollution or health hazards
- 39 resulting from sanitary landfill facilities subsequent to the
- 40 termination of operations at any portion thereof, including, but not
- 41 necessarily limited to, the costs of the placement of earthen or
- 42 vegetative cover, and the installation of methane gas vents or
- 43 monitors and leachate monitoring wells or collection systems at the
- 44 site of any sanitary landfill facility.
- 45 i. (Deleted by amendment, P.L.2007, c.62.)
- 46 j. The prefunding of a claims account for environmental
- 47 liability claims by an environmental impairment liability insurance

1 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.
2 (cf: P.L.2007, c.62, s.17)

3

4 5. N.J.S.40A:31-3 is amended to read as follows:

5 40A:31-3. As used in this act:

6 a. "Bonds" means bond anticipation notes or bonds issued in
7 accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq.

8 b. "Cost" as applied to water supply facilities or extensions or
9 additions thereto, means the cost of acquisition or the construction,
10 including improvement, reconstruction, extension or enlargement,
11 the cost of all labor materials, machinery and equipment, the cost of
12 all lands, property, rights and easements acquired, the cost of
13 demolition or removal of any buildings or structures thereon,
14 financing charges, interest on bonds issued to finance water supply
15 facilities prior to and during construction, the cost of plans and
16 specifications, surveys or estimates of costs and revenues, the cost
17 of engineering, legal services, and any other expenses necessary or
18 incident to determining the feasibility of construction,
19 administrative expenses and such other expenses as may be
20 necessary or incident to the construction or acquisition of water
21 supply facilities, and the financing thereof.

22 c. "Local unit" means a county or municipality.

23 d. "Water supply facilities" means the plants, structures or
24 other real and personal property acquired, constructed or operated,
25 or to be financed, acquired, constructed or operated, or any parts
26 thereof, including reservoirs, basins, dams, canals, aqueducts,
27 standpipes, conduits, pipelines, mains, pumping stations, water
28 distribution systems, compensating reservoirs, waterworks, or
29 sources of water supply, well, purification or filtration plants, or
30 other plants or works, connections, rights of flowage or diversion,
31 and other plants, structures, boats, conveyances and other real and
32 personal property, or rights therein, and appurtenances necessary or
33 useful for the accumulation, supply or distribution of water.
34 Source: C.40:14C-3 (P.L.1979, c.451, s.3).

35 The term "water supply facilities" includes the replacement of
36 service connections to a publicly-owned water system, from the
37 distribution main onto privately-owned real property and into a
38 privately-owned structure, when used in reference to a project
39 undertaken for the purpose of replacing lead-contaminated service
40 connections, regardless of possible private service connection
41 ownership, so long as the project is (1) an environmental
42 infrastructure project, as defined under section 3 of P.L.1985, c.334
43 (C.58:11B-3), and (2) funded either by loans from the New Jersey
44 Infrastructure Bank, created pursuant to section 4 of P.L.1985,
45 c.334 (C.58:11B-4), or by loans issued through the Department of
46 Environmental Protection.

47 (cf: P.L.1989, c.109, s.1)

1 6. This act shall take effect immediately.

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STATEMENT

5

6 This bill would authorize municipalities to levy special
7 assessments, and issue bonds, to replace certain lead-contaminated
8 water service lines.

9 Pursuant to R.S.40:56-1, if a municipality engages in a project
10 that is categorized as a “local improvement,” the municipality may
11 assess the cost of the project on local property owners in the
12 vicinity who benefit from the project. This bill adjusts language in
13 R.S.40:56-1 to ensure that the replacement of certain lead-
14 contaminated home service connections fall within this category,
15 allowing those projects to be assessed as local improvements.

16 The bill would also amend N.J.S.40A:2-22, a section of the
17 “Local Bond Law,” to permit municipalities and counties to issue
18 30-year bonds to fund the replacement of lead-contaminated house
19 connections to publicly-owned water systems. Specifically, these
20 bonds would fund replacement of lead-contaminated house
21 connections from the distribution main onto privately-owned real
22 property, and into the privately-owned structure.

23 The bill also amends the "County and Municipal Water Supply
24 Act," N.J.S.40A:31-1 et seq., and the "municipal and county
25 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to
26 provide that the public entities operating under those laws are not
27 prevented from undertaking projects to replace lead-contaminated
28 service connections, regardless of possible private service
29 connection ownership.

30 The provisions of this bill only would apply to service line
31 replacement projects that are: (1) undertaken as environmental
32 infrastructure projects, as defined under section 3 of P.L.1985,
33 c.334 (C.58:11B-3); and (2) funded either by loans from the New
34 Jersey Infrastructure Bank, created pursuant to section 4 of
35 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the
36 Department of Environmental Protection.

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41 Authorizes special assessments and bond issuance to replace
42 lead-contaminated water service lines.