

§1 - C.40:14A-8a
 §2 - C.40:14A-8.5
 §4 - C.40:14B-22a
 §5 –
 C.40:14B-22.5
 §§7-9 -
 C.40A:26A-11.1
 to 40A:26A-11.3
 §§10-12 -
 C.40A:31-11.1 to
 40A:31-11.3

P.L. 2018, CHAPTER 74, *approved August 10, 2018*
 Senate, No. 1247 (*Second Reprint*)

1 **AN ACT** concerning certain utility connection fees, supplementing
 2 Title 40 of the Revised Statutes and Title 40A of the New Jersey
 3 Statutes, and amending P.L.2005, c.29.

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

7
 8 1. (New section) a. For a property connected to the sewerage
 9 system for less than 20 years, a sewerage authority may charge an
 10 additional connection or tapping fee for an addition, alteration, or
 11 change in use that materially increases the level of use and imposes
 12 a greater demand on the sewerage system, but does not involve a
 13 new physical connection of the property to the sewerage system.

14 b. The connection or tapping fee authorized by subsection a. of
 15 this section shall be equal to the amount by which the increased use
 16 and demand on the sewerage system exceeds the use and demand
 17 that existed prior to such addition, alteration, or change in use.

18 c. Nothing in this section shall be construed to preclude a
 19 sewerage authority from charging a new or additional connection or
 20 tapping fee for any new or additional connection of a property to
 21 the sewerage system, or for any increase in the size of an existing
 22 connection ¹or for any new construction of additional service units
 23 connected¹ to the sewerage system that ¹materially¹ increases the
 24 level of use or demand on the sewerage system.

25 d. As used in this section, “materially increases” means any
 26 increase in the number of service units; or any other change which
 27 increases the level of use or demand on the sewerage system by 15
 28 percent or more over the highest actual annual use and demand that
 29 existed during the prior 10-year period immediately preceding the
 30 addition, alteration, or change in use; provided, however, that, if the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted March 26, 2018.

²Senate SBA committee amendments adopted June 4, 2018.

1 property has been connected to the sewerage system for less than 10
2 years, the average level of use and demand shall be calculated based
3 on the actual period of connection.

4

5 2. (New section) a. A sewerage authority shall provide a credit
6 applicable toward a connection or tapping fee to be charged for a
7 reconnection of a disconnected property that was previously
8 connected to the sewerage system, provided that:

9 (1) the property has been connected to the sewerage system for
10 at least 20 years; and

11 (2) service charges have been paid for the property in at least
12 one of the last five years.

13 b. The credit required under subsection a. of this section shall
14 be calculated as follows:

15 (1) If the reconnection does not require any new physical
16 connection or does not increase the nature or size of the service or
17 the number of services units, or does not expand the use of the
18 sewerage system, the credit shall be equal in amount to the new
19 connection or tapping fee.

20 (2) If the reconnection requires a new physical connection,
21 increases the nature or size of the service or the number of service
22 units, or expands the use of the sewerage system, the credit shall be
23 equal in amount to any connection or tapping fee previously paid
24 for the property, and the sewerage authority shall charge the
25 difference between the credit and the connection or tapping fee for
26 the new use or class.

27 (3) If no connection or tapping fee was ever paid for the
28 property, but all service charges due and owing on the property
29 have been paid for at least 20 years, the credit shall be equal in
30 amount to the new connection or tapping fee; provided, however,
31 that any charges due and owing pursuant to paragraph (2) of this
32 subsection shall be paid.

33 c. If no connection or tapping fee was ever paid for a
34 disconnected property that is to be reconnected and which was
35 previously connected to the sewerage system for at least 20 years,
36 the sewerage authority shall charge, in addition to any amount due
37 and owing after application of a credit pursuant to this section, a
38 connection or tapping fee equal to the lesser of:

39 (1) 20 percent of the service charges that would have been paid
40 based upon the usage for the last full year that the property was
41 connected to the sewerage system for the period from the date of
42 the disconnection from the sewerage system to the date of the new
43 connection; or

44 (2) the new connection fee.

45 d. A credit shall not be allowed under this section for a
46 property that has been disconnected from the sewerage system for
47 more than five years.

1 e. As used in this section, “disconnected property” means a
2 property that has been physically disconnected from the sewerage
3 system or a property not physically disconnected but to which
4 service has been discontinued without payments being made. A
5 “disconnected property” shall not include a property that has been
6 temporarily disconnected from the sewerage system or to which
7 service has been discontinued without payments being made for less
8 than 12 consecutive months and is being reconnected as it existed,
9 prior to the temporary disconnection or discontinuance of service.

10
11 3. Section 2 of P.L.2005, c.29 (C.40:14A-8.3) is amended to
12 read as follows:

13 2. a. A county, regional or municipal sewerage authority shall
14 establish within its rates or schedules a 50% reduction in the
15 connection fee or tapping fee assessed pursuant to section 8 of
16 P.L.1946, c.138 (C.40:14A-8) for new connections to the sewerage
17 system which is to be charged to public housing authorities **【and】** ,
18 to non-profit organizations building affordable housing projects ,
19 and to any other affordable housing, including affordable housing
20 units in inclusionary projects.

21 b. For units previously connected to the authority's system that
22 were demolished or refurbished to allow for new affordable housing
23 units and for which a connection or tapping fee was previously
24 paid, a county, regional or municipal sewerage authority shall
25 establish within its rates or schedules a credit against the connection
26 fee or tapping fee to be assessed for connection with the sewerage
27 system to public housing authorities **【and】** , non-profit
28 organizations building affordable projects , and to any other
29 affordable housing, including affordable housing units in
30 inclusionary projects. The credit shall be the connection fee or
31 tapping fee previously assessed and paid for connection with the
32 sewerage system for units previously connected to the authority's
33 system.

34 c. The connection fee or tapping fee assessable against a public
35 housing authority **【or】** , non-profit organization , or other
36 affordable housing owner, for units previously connected to the
37 authority's system that were demolished or refurbished to allow for
38 new affordable housing units, including affordable housing units in
39 inclusionary projects, shall be the lesser of the reduced rate
40 provided for in subsection a. of this section, or the current non-
41 reduced rate applicable to other types of housing developments
42 minus the credit provided under subsection b. of this section for
43 units for which a connection fee or tapping fee was previously paid,
44 provided that said public housing authority **【or】** , non-profit
45 organization , or other affordable housing owner can establish the
46 connection fee or tapping fee was previously assessed and paid for
47 connection with the system. If the same cannot be established, the

1 reduced rate provided for in subsection a. of this section shall be
2 assessed.

3 (cf: P.L.2005, c.29, s.2)

4

5 4. (New section) a. For a property connected to the water or
6 sewerage system for less than 20 years, a municipal authority may
7 charge an additional connection or tapping fee for an addition,
8 alteration, or change in use that materially increases the level of use
9 and imposes a greater demand on the water or sewerage system, but
10 does not involve a new physical connection of the property to the
11 water or sewerage system.

12 b. The connection or tapping fee authorized by subsection a. of
13 this section shall be equal to the amount by which the increased use
14 and demand on the water or sewerage system exceeds the use and
15 demand that existed prior to such addition, alteration, or change in
16 use.

17 c. Nothing in this section shall be construed to preclude a
18 municipal authority from charging a new or additional connection
19 or tapping fee for any new or additional connection of a property to
20 the water or sewerage system, or for any increase in the size of an
21 existing connection ¹or for any new construction of additional
22 service units connected¹ to the water or sewerage system that
23 ¹materially¹ increases the level of use or demand on the water or
24 sewerage system.

25 d. As used in this section, “materially increases” means any
26 increase in the number of service units; or any other change which
27 increases the level of use or demand on the water or sewerage
28 system by 15 percent or more over the highest actual annual use and
29 demand that existed during the prior 10-year period immediately
30 preceding the addition, alteration, or change in use; provided,
31 however, that, if the property has been connected to the water or
32 sewerage system for less than 10 years, the average level of use and
33 demand shall be calculated based on the actual period of
34 connection.

35

36 5. (New section) a. A municipal authority shall provide a
37 credit applicable toward a connection or tapping fee to be charged
38 for a reconnection of a disconnected property that was previously
39 connected to the water or sewerage system, provided that:

40 (1) the property has been connected to the water or sewerage
41 system for at least 20 years; and

42 (2) service charges have been paid for the property in at least
43 one of the last five years.

44 b. The credit required under subsection a. of this section shall
45 be calculated as follows:

46 (1) If the reconnection does not require any new physical
47 connection or does not increase the nature or size of the service or
48 the number of services units, or does not expand the use of the

1 water or sewerage system, the credit shall be equal in amount to the
2 new connection or tapping fee.

3 (2) If the reconnection requires a new physical connection,
4 increases the nature or size of the service or the number of service
5 units, or expands the use of the water or sewerage system, the credit
6 shall be equal in amount to any connection or tapping fee
7 previously paid for the property, and the municipal authority shall
8 charge the difference between the credit and the connection or
9 tapping fee for the new use or class.

10 (3) If no connection or tapping fee was ever paid for the
11 property, but all service charges due and owing on the property
12 have been paid for at least 20 years, the credit shall be equal in
13 amount to the new connection or tapping fee; provided, however,
14 that any charges due and owing pursuant to paragraph (2) of this
15 subsection shall be paid.

16 c. If no connection or tapping fee was ever paid for a
17 disconnected property that is to be reconnected and which was
18 previously connected to the water or sewerage system for at least 20
19 years, the municipal authority shall charge, in addition to any
20 amount due and owing after application of a credit pursuant to this
21 section, a connection or tapping fee equal to the lesser of:

22 (1) 20 percent of the service charges that would have been paid
23 based upon the usage for the last full year that the property was
24 connected to the water or sewerage system for the period from the
25 date of the disconnection from the water or sewerage system to the
26 date of the new connection; or

27 (2) the new connection fee.

28 d. A credit shall not be allowed under this section for a
29 property that has been disconnected from the water or sewerage
30 system for more than five years.

31 e. As used in this section, “disconnected property” means a
32 property that has been physically disconnected from the water or
33 sewerage system or a property not physically disconnected but to
34 which service has been discontinued without payments being made.
35 A “disconnected property” shall not include a property that has
36 been temporarily disconnected from the water or sewerage system
37 or to which service has been discontinued without payments being
38 made for less than 12 consecutive months and is being reconnected
39 as it existed, prior to the temporary disconnection or discontinuance
40 of service.

41

42 6. Section 5 of P.L.2005, c.29 (C.40:14B-22.3) is amended to
43 read as follows:

44 5. a. A county, regional or municipal utilities authority shall
45 establish within its rates or schedules a 50% reduction in the
46 connection fee or tapping fee assessed pursuant to section 21 of
47 P.L.1957, c.183 (C.40:14B-21) for new connections to the water
48 system and a 50% reduction in the connection fee or tapping fee

1 assessed pursuant to section 22 of P.L.1957, c.183 (C.40:14B-22)
2 for new connections to the sewerage system which are to be
3 charged to public housing authorities **【and】** , to non-profit
4 organizations building affordable housing projects , and to any
5 other affordable housing, including affordable housing units in
6 inclusionary projects.

7 b. For units previously connected to the authority's system that
8 were demolished or refurbished to allow for new affordable housing
9 units and for which a connection fee was previously paid, a county,
10 regional or municipal utilities authority shall establish within its
11 rates or schedules a credit against the connection fee or tapping fee
12 to be assessed for connection with the water system or the sewerage
13 system to public housing authorities **【and】** , non-profit
14 organizations building affordable housing projects , and to any
15 other affordable housing, including affordable housing units in
16 inclusionary projects. The credit shall be the connection fee or
17 tapping fee previously assessed and paid for connection with the
18 water system or the sewerage system for units previously connected
19 to the authority's system.

20 c. The connection fee or tapping fee assessable against a public
21 housing authority **【or】** , non-profit organization , or other
22 affordable housing owner, for units previously connected to the
23 authority's system that were demolished or refurbished to allow for
24 new affordable housing units, including affordable housing units in
25 inclusionary projects, shall be the lesser of the reduced rate
26 provided for in subsection a. of this section, or the current non-
27 reduced rate applicable to other types of housing developments
28 minus the credit provided under subsection b. of this section for
29 units for which a connection fee or tapping fee was previously paid,
30 provided that said public housing authority **【or】** , non-profit
31 organization , or other affordable housing owner can establish the
32 connection fee or tapping fee was previously assessed and paid for
33 connection with the system. If the same cannot be established, the
34 reduced rate provided for in subsection a. of this section shall be
35 assessed.

36 (cf: P.L.2005, c.29, s.5)

37

38 7. (New section) a. For a property connected to the sewerage
39 system for less than 20 years, a local unit operating a county or
40 municipal sewerage facility may charge an additional connection or
41 tapping fee for an addition, alteration, or change in use that
42 materially increases the level of use and imposes a greater demand
43 on the sewerage system, but does not involve a new physical
44 connection of the property to the sewerage system.

45 b. The connection or tapping fee authorized by subsection a. of
46 this section shall be equal to the amount by which the increased use
47 and demand on the sewerage system exceeds the use and demand
48 that existed prior to such addition, alteration, or change in use.

1 c. Nothing in this section shall be construed to preclude a local
2 unit operating a county or municipal sewerage facility from
3 charging a new or additional connection or tapping fee for any new
4 or additional connection of a property to the sewerage system, or
5 for any increase in the size of an existing connection ¹or for any
6 new construction of additional service units connected¹ to the
7 sewerage system that ¹materially¹ increases the level of use or
8 demand on the sewerage system.

9 d. As used in this section, “materially increases” means any
10 increase in the number of service units; or any other change which
11 increases the level of use or demand on the sewerage system by 15
12 percent or more over the highest actual annual use and demand that
13 existed during the prior 10-year period immediately preceding the
14 addition, alteration, or change in use; provided, however, that, if the
15 property has been connected to the sewerage system for less than 10
16 years, the average level of use and demand shall be calculated based
17 on the actual period of connection.
18

19 8. (New section) a. A local unit operating a county or
20 municipal sewerage facility shall provide a credit applicable toward
21 a connection or tapping fee to be charged for a reconnection of a
22 disconnected property that was previously connected to the
23 sewerage system, provided that:

24 (1) the property has been connected to the sewerage system for
25 at least 20 years; and

26 (2) service charges have been paid for the property in at least
27 one of the last five years.

28 b. The credit required under subsection a. of this section shall
29 be calculated as follows:

30 (1) If the reconnection does not require any new physical
31 connection or does not increase the nature or size of the service or
32 the number of services units, or does not expand the use of the
33 sewerage system, the credit shall be equal in amount to the new
34 connection or tapping fee.

35 (2) If the reconnection requires a new physical connection,
36 increases the nature or size of the service or the number of service
37 units, or expands the use of the sewerage system, the credit shall be
38 equal in amount to any connection or tapping fee previously paid
39 for the property, and the local unit shall charge the difference
40 between the credit and the connection or tapping fee for the new use
41 or class.

42 (3) If no connection or tapping fee was ever paid for the
43 property, but all service charges due and owing on the property
44 have been paid for at least 20 years, the credit shall be equal in
45 amount to the new connection or tapping fee; provided, however,
46 that any charges due and owing pursuant to paragraph (2) of this
47 subsection shall be paid.

1 c. If no connection or tapping fee was ever paid for a
2 disconnected property that is to be reconnected and which was
3 previously connected to the sewerage system for at least 20 years,
4 the local unit shall charge, in addition to any amount due and owing
5 after application of a credit pursuant to this section, a connection or
6 tapping fee equal to the lesser of:

7 (1) 20 percent of the service charges that would have been paid
8 based upon the usage for the last full year that the property was
9 connected to the sewerage system for the period from the date of
10 the disconnection from the sewerage system to the date of the new
11 connection; or

12 (2) the new connection fee.

13 d. A credit shall not be allowed under this section for a
14 property that has been disconnected from the sewerage system for
15 more than five years.

16 e. As used in this section, “disconnected property” means a
17 property that has been physically disconnected from the sewerage
18 system or a property not physically disconnected but to which
19 service has been discontinued without payments being made. A
20 “disconnected property” shall not include a property that has been
21 temporarily disconnected from the sewerage system or to which
22 service has been discontinued without payments being made for less
23 than 12 consecutive months and is being reconnected as it existed,
24 prior to the temporary disconnection or discontinuance of service.
25

26 9. (New section) a. A local unit operating a county or
27 municipal sewerage facility shall establish within its rates or
28 schedules a 50% reduction in the connection fee or tapping fee
29 assessed pursuant to N.J.S.40A:26A-11 for new connections to the
30 sewerage system which is to be charged to public housing
31 authorities, non-profit organizations building affordable housing
32 projects, and any other affordable housing, including affordable
33 housing units in inclusionary projects.

34 b. For units previously connected to the local unit’s system that
35 were demolished or refurbished to allow for new affordable housing
36 units and for which a connection or tapping fee was previously
37 paid, a local unit operating a county or municipal sewerage facility
38 shall establish within its rates or schedules a credit against the
39 connection fee or tapping fee to be assessed for connection with the
40 sewerage system to public housing authorities, non-profit
41 organizations building affordable projects, and to any other
42 affordable housing, including affordable housing units in
43 inclusionary projects. The credit shall be the connection fee or
44 tapping fee previously assessed and paid, for connection with the
45 sewerage system for units previously connected to the local unit’s
46 system.

47 c. The connection fee or tapping fee assessable against a public
48 housing authority, non-profit organization, or other affordable

1 housing owner, for units previously connected to the local unit's
2 system that were demolished or refurbished to allow for new
3 affordable housing units, including affordable housing units in
4 inclusionary projects, shall be the lesser of the reduced rate
5 provided for in subsection a. of this section, or the current non-
6 reduced rate applicable to other types of housing developments
7 minus the credit provided under subsection b. of this section for
8 units for which a connection fee or tapping fee was previously paid,
9 provided that such public housing authority, non-profit
10 organization, or other affordable housing owner can establish the
11 connection fee or tapping fee was previously assessed and paid for
12 connection with the system. If such previous assessment and
13 payment cannot be established, the reduced rate provided for in
14 subsection a. of this section shall be assessed.

15

16 10. (New section) a. For a property connected to the water
17 supply system for less than 20 years, a local unit operating a county
18 or municipal water supply facility may charge an additional
19 connection or tapping fee for an addition, alteration, or change in
20 use that materially increases the level of use and imposes a greater
21 demand on the water supply system, but does not involve a new
22 physical connection of the property to the water supply system.

23 b. The connection or tapping fee authorized by subsection a. of
24 this section shall be equal to the amount by which the increased use
25 and demand on the water supply system exceeds the use and
26 demand that existed prior to such addition, alteration, or change in
27 use.

28 c. Nothing in this section shall be construed to preclude a local
29 unit operating a county or municipal water supply facility from
30 charging a new or additional connection or tapping fee for any new
31 or additional connection of a property to the water supply system,
32 or for any increase in the size of an existing connection ²or for any
33 new construction of additional service units connected² to the water
34 supply system that ²materially² increases the level of use or demand
35 on the water supply system.

36 d. As used in this section, "materially increases" means any
37 increase in the number of service units; or any other change which
38 increases the level of use or demand on the water supply system by
39 15 percent or more over the highest actual annual use and demand
40 that existed during the prior 10-year period immediately preceding
41 the addition, alteration, or change in use; provided, however, that, if
42 the property has been connected to the water supply system for less
43 than 10 years, the average level of use and demand shall be
44 calculated based on the actual period of connection.

45

46 11. (New section) a. A local unit operating a county or
47 municipal water supply facility shall provide a credit applicable
48 toward a connection or tapping fee to be charged for a reconnection

1 of a disconnected property that was previously connected to the
2 water supply system, provided that:

3 (1) the property has been connected to the water supply system
4 for at least 20 years; and

5 (2) service charges have been paid for the property in at least
6 one of the last five years.

7 b. The credit required under subsection a. of this section shall
8 be calculated as follows:

9 (1) If the reconnection does not require any new physical
10 connection or does not increase the nature or size of the service or
11 the number of services units, or does not expand the use of the
12 water supply system, the credit shall be equal in amount to the new
13 connection or tapping fee.

14 (2) If the reconnection requires a new physical connection,
15 increases the nature or size of the service or the number of service
16 units, or expands the use of the water supply system, the credit shall
17 be equal in amount to any connection or tapping fee previously paid
18 for the property, and the local unit shall charge the difference
19 between the credit and the connection or tapping fee for the new use
20 or class.

21 (3) If no connection or tapping fee was ever paid for the
22 property, but all service charges due and owing on the property
23 have been paid for at least 20 years, the credit shall be equal in
24 amount to the new connection or tapping fee; provided, however,
25 that any charges due and owing pursuant to paragraph (2) of this
26 subsection shall be paid.

27 c. If no connection or tapping fee was ever paid for a
28 disconnected property that is to be reconnected and which was
29 previously connected to the water supply system for at least 20
30 years, the local unit shall charge, in addition to any amount due and
31 owing after application of a credit pursuant to this section, a
32 connection or tapping fee equal to the lesser of:

33 (1) 20 percent of the service charges that would have been paid
34 based upon the usage for the last full year that the property was
35 connected to the water supply system for the period from the date of
36 the disconnection from the water supply system to the date of the
37 new connection; or

38 (2) the new connection fee.

39 d. A credit shall not be allowed under this section for a
40 property that has been disconnected from the water supply system
41 for more than five years.

42 e. As used in this section, “disconnected property” means a
43 property that has been physically disconnected from the water
44 supply system or a property not physically disconnected but to
45 which service has been discontinued without payments being made.
46 A “disconnected property” shall not include a property that has
47 been temporarily disconnected from the water supply system or to
48 which service has been discontinued without payments being made

1 for less than 12 consecutive months and is being reconnected as it
2 existed, prior to the temporary disconnection or discontinuance of
3 service.

4
5 12. (New section) a. A local unit operating a county or
6 municipal water supply facility shall establish within its rates or
7 schedules a 50% reduction in the connection fee or tapping fee
8 assessed pursuant to N.J.S.40A:31-11 for new connections to the
9 water supply system which is to be charged to public housing
10 authorities, non-profit organizations building affordable housing
11 projects, and any other affordable housing, including affordable
12 housing units in inclusionary projects.

13 b. For units previously connected to the local unit's system that
14 were demolished or refurbished to allow for new affordable housing
15 units and for which a connection or tapping fee was previously
16 paid, a local unit operating a county or municipal water supply
17 facility shall establish within its rates or schedules a credit against
18 the connection fee or tapping fee to be assessed for connection with
19 the water supply system to public housing authorities, non-profit
20 organizations building affordable projects, and to any other
21 affordable housing, including affordable housing units in
22 inclusionary projects. The credit shall be the connection fee or
23 tapping fee previously assessed and paid, for connection with the
24 water supply system for units previously connected to the local
25 unit's system.

26 c. The connection fee or tapping fee assessable against a public
27 housing authority, non-profit organization, or other affordable
28 housing owner, for units previously connected to the local unit's
29 system that were demolished or refurbished to allow for new
30 affordable housing units, including affordable housing units in
31 inclusionary projects, shall be the lesser of the reduced rate
32 provided for in subsection a. of this section, or the current non-
33 reduced rate applicable to other types of housing developments
34 minus the credit provided under subsection b. of this section for
35 units for which a connection fee or tapping fee was previously paid,
36 provided that such public housing authority, non-profit
37 organization, or other affordable housing owner can establish the
38 connection fee or tapping fee was previously assessed and paid for
39 connection with the system. If such previous assessment and
40 payment cannot be established, the reduced rate provided for in
41 subsection a. of this section shall be assessed.

42
43 13. This act shall take effect immediately.

44
45
46 Authorizes certain local government utilities to impose
47 additional connection fees; requires certain new credits and
48 reductions for these fees.