

## CHAPTER 74

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

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

C.40:14A-8a Sewerage authority may charge additional fees under certain circumstances.

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

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

c. Nothing in this section shall be construed to preclude a sewerage authority from charging a new or additional connection or tapping fee for any new or additional connection of a property to the sewerage system, or for any increase in the size of an existing connection or for any new construction of additional service units connected to the sewerage system that materially increases the level of use or demand on the sewerage system.

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

C.40:14A-8.5 Sewerage authority may provide a credit for certain fees.

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

- (1) the property has been connected to the sewerage system for at least 20 years; and
- (2) service charges have been paid for the property in at least one of the last five years.

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

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

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

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

c. If no connection or tapping fee was ever paid for a disconnected property that is to be reconnected and which was previously connected to the sewerage system for at least 20

years, the sewerage authority shall charge, in addition to any amount due and owing after application of a credit pursuant to this section, a connection or tapping fee equal to the lesser of:

- (1) 20 percent of the service charges that would have been paid based upon the usage for the last full year that the property was connected to the sewerage system for the period from the date of the disconnection from the sewerage system to the date of the new connection; or
- (2) the new connection fee.

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

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

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

C.40:14A-8.3 Reduction in fees by sewerage authority for certain affordable housing projects.

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

b. For units previously connected to the authority's system that were demolished or refurbished to allow for new affordable housing units and for which a connection or tapping fee was previously paid, a county, regional or municipal sewerage authority shall establish within its rates or schedules a credit against the connection fee or tapping fee to be assessed for connection with the sewerage system to public housing authorities, non-profit organizations building affordable projects, and to any other affordable housing, including affordable housing units in inclusionary projects. The credit shall be the connection fee or tapping fee previously assessed and paid for connection with the sewerage system for units previously connected to the authority's system.

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

C.40:14B-22a Municipal authority may charge certain additional fees.

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

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

c. Nothing in this section shall be construed to preclude a municipal authority from charging a new or additional connection or tapping fee for any new or additional connection of a property to the water or sewerage system, or for any increase in the size of an existing connection or for any new construction of additional service units connected to the water or sewerage system that materially increases the level of use or demand on the water or sewerage system.

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

C.40:14B-22.5 Credit toward certain fees provided by municipal authority.

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

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

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

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

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

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

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

c. If no connection or tapping fee was ever paid for a disconnected property that is to be reconnected and which was previously connected to the water or sewerage system for at least 20 years, the municipal authority shall charge, in addition to any amount due and owing after

application of a credit pursuant to this section, a connection or tapping fee equal to the lesser of:

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

(2) the new connection fee.

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

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

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

C.40:14B-22.3 Utilities authority, reduced fees for certain affordable housing projects.

5. a. A county, regional or municipal utilities authority shall establish within its rates or schedules a 50% reduction in the connection fee or tapping fee assessed pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21) for new connections to the water system and a 50% reduction in the connection fee or tapping fee assessed pursuant to section 22 of P.L.1957, c.183 (C.40:14B-22) for new connections to the sewerage system which are to be charged to public housing authorities, to non-profit organizations building affordable housing projects, and to any other affordable housing, including affordable housing units in inclusionary projects.

b. For units previously connected to the authority's system that were demolished or refurbished to allow for new affordable housing units and for which a connection fee was previously paid, a county, regional or municipal utilities authority shall establish within its rates or schedules a credit against the connection fee or tapping fee to be assessed for connection with the water system or the sewerage system to public housing authorities, non-profit organizations building affordable housing projects, and to any other affordable housing, including affordable housing units in inclusionary projects. The credit shall be the connection fee or tapping fee previously assessed and paid for connection with the water system or the sewerage system for units previously connected to the authority's system.

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

C.40A:26A-11.1 Local unit operating a sewerage facility, permitted to chare additional connection, tapping fee.

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

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

c. Nothing in this section shall be construed to preclude a local unit operating a county or municipal sewerage facility from charging a new or additional connection or tapping fee for any new or additional connection of a property to the sewerage system, or for any increase in the size of an existing connection or for any new construction of additional service units connected to the sewerage system that materially increases the level of use or demand on the sewerage system.

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

C.40A:26A-11.2 County, municipal sewerage facility, credit applicable toward connection, tapping fee.

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

- (1) the property has been connected to the sewerage system for at least 20 years; and
- (2) service charges have been paid for the property in at least one of the last five years.

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

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

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

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

c. If no connection or tapping fee was ever paid for a disconnected property that is to be reconnected and which was previously connected to the sewerage system for at least 20

years, the local unit shall charge, in addition to any amount due and owing after application of a credit pursuant to this section, a connection or tapping fee equal to the lesser of:

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

(2) the new connection fee.

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

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

C.40A:26A-11.3 Reduction in connection, tapping fees for locally-operated sewerage facility.

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

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

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

C.40A:31-11.1 Additional fees for municipally-operated water supply system.

10. a. For a property connected to the water supply system for less than 20 years, a local unit operating a county or municipal water supply facility may charge an additional connection or tapping fee for an addition, alteration, or change in use that materially

increases the level of use and imposes a greater demand on the water supply system, but does not involve a new physical connection of the property to the water supply system.

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

c. Nothing in this section shall be construed to preclude a local unit operating a county or municipal water supply facility from charging a new or additional connection or tapping fee for any new or additional connection of a property to the water supply system, or for any increase in the size of an existing connection or for any new construction of additional service units connected to the water supply system that materially increases the level of use or demand on the water supply system.

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

C.40A:31-11.2 Credit toward connection, tapping fee for certain water supply facilities.

11. a. A local unit operating a county or municipal water supply facility shall provide a credit applicable toward a connection or tapping fee to be charged for a reconnection of a disconnected property that was previously connected to the water supply system, provided that:

- (1) the property has been connected to the water supply system for at least 20 years; and
- (2) service charges have been paid for the property in at least one of the last five years.

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

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

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

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

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

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

(2) the new connection fee.

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

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

C.40A:31-11.3 Reduction in fees for locally-run water supply facility.

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

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

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

13. This act shall take effect immediately.

Approved August 10, 2018.