The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 276, with committee amendments.

As amended, this bill allows county and municipal sewerage authorities, utilities authorities, sewerage utilities, and local units operating water supply facilities to reduce water and sewerage service rates for households with incomes at or below a certain percentage of the most recent federal poverty guidelines, as set by the local units, authority, or utility. The bill allows these authorities, and utilities to provide affordable water and sewerage services for persons of limited means.

Current law allows these local units, authorities, and utilities to reduce or totally abate service rates for persons who are 65 years of age or older or are disabled, and who also meet certain statutorily-based income requirements. As amended, this bill expands upon current law by allowing local units, authorities and utilities to establish reduced general water and sewerage service rates for all low-income persons based on eligibility requirements set by the local unit, authority, or utility.

Finally, the bill authorizes regional sewerage authorities to increase charges in excess of the 2 percent statutory cap, subject to Local Finance Board approval, in order to allow for reasonable increases in rents, rates, fees, or other charges that are necessary to compensate for reductions provided for low-income persons.

COMMITTEE AMENDMENTS: The amendments allow local units and utilities authorities to reduce water rates for low-income persons in the same manner as the bill allows them to reduce sewerage rates.

Additionally, the amendments adjust P.L.2017, c.290 (C.40:14A-4.2), which prohibits regional sewerage authorities from increasing charges by more than 2 percent per year. The amendments allow the Local Finance Board to waive the 2 percent cap requirement to allow for reasonable increases in rents, rates, fees, or other charges that are necessary to compensate for reductions provided for low-income persons, as permitted by this bill.
Finally, in order to add appropriate references to this bill, the amendments make technical adjustments to section 8 of P.L.1946, c.138 (C.40:14A-8), section 21 of P.L.1957, c.183 (C.40:14B-21), N.J.S.40A:26A-10, and N.J.S.40A:31-10.