Sponsored by:
Senator BOB SMITH  
District 17 (Middlesex and Somerset)  
Senator CHRISTOPHER “KIP” BATEMAN  
District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS
Authorizes municipalities, counties, and certain authorities to establish stormwater utilities.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning the creation of stormwater utilities and amending and supplementing various parts of the statutory law.

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

1. Section 2 of P.L.1946, c.138 (C.40:14A-2) is amended to read as follows:

2. It is hereby declared to be in the public interest and to be the policy of the State to foster and promote by all reasonable means the relief of waters in or bordering the State from pollution and thus to reduce and ultimately abate the menace to the public health resulting from such pollution, and to promote the public health and welfare through appropriate management of stormwater. It is the purpose and object of this act to further and implement such policy by:

(1) Authorizing counties, or municipalities either separately or in combination with other municipalities, by means and through the agency of a sewerage authority, to acquire, construct, maintain, operate or improve: (a) works for the collection, treatment, purification or disposal of sewage or other wastes; (b) if necessary, works for the impounding, transportation and release of water for the replenishment in periods of drought or at other necessary times of all or a part of waters in or bordering the State diverted into a sewer, sewage treatment or sewage disposal system operated by the sewerage authority; and (c) works for the collection, storage, treatment, or disposal of stormwater; or to contract with private firms for the operation or improvement of works for the collection, storage, treatment, or disposal of stormwater;

(2) Authorizing service charges to occupants or owners of property for direct or indirect connection with and the use or services of such works, and providing for the establishment, collection and enforcement of such charges;

(3) Creating as a body corporate and politic sewerage authorities to have full responsibility and powers with respect to such works and the establishment, collection, enforcement, use and disposition of all such service charges;

(4) Providing for the financing of such works, for the issuance of bonds therefor, and for the payment and security of such bonds; and

(5) In general, granting to counties and municipalities and to such sewerage authorities discretionary powers to provide for sewerage services designed to relieve pollution of such waters and for management of stormwater at the expense of the users of such

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.
services or of counties or municipalities or other persons contracting for or with respect to the same.

It is further declared that the acquisition, construction, operation, and maintenance of stormwater management systems are essential to the goals of protecting and improving the State’s water quality, and are necessary to prevent and abate nonpoint sources of pollution, minimize stormwater runoff, control flooding, and enhance groundwater recharge.

(cf: P.L.1953, c.177, s.2)

2. Section 3 of P.L.1946, c.138 (C.40:14A-3) is amended to read as follows:

3. As used in this act P.L.1946, c. 138 (C.40:14A-1 et seq.), unless a different meaning clearly appears from the context:

   (1) "Municipality" shall mean any city of any class, any borough, village, town, township, or any other municipality other than a county or a school district, and except when used in section 4 of P.L.1946, c.138 (C.40:14A-4) or section 21 of this act P.L.1946, c.138 (C.40:14A-21), any agency thereof or any two or more thereof acting jointly or any joint meeting or other agency of any two or more thereof;

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

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

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

   (5) "Sewerage or water reclamation authority" shall mean a public body created pursuant to section 4 of this act P.L.1946, c. 138 (C.40:14A-4);

   (6) Subject to the exceptions provided in section 4 of this act P.L.1946, c. 138 (C.40:14A-4), "district" shall mean the area within the territorial boundaries of the county, or of the municipality or municipalities, which created or joined in the creation of a sewerage authority;

   (7) "Local unit" shall mean the county, or any municipality, which created or joined in the creation of a sewerage authority;

   (8) "Sewerage system" shall mean the plants, structures, on-site waste-water systems, and other real and personal property acquired, constructed, maintained or operated or to be acquired, constructed, maintained or operated by a sewerage authority for the purposes of
the sewerage authority, including sewers, conduits, pipe lines, mains, pumping and ventilating stations, sewage treatment or disposal systems, plants and works, connections, and outfalls, compensating reservoirs, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the management of stormwater, or the collection, treatment, purification or disposal in a sanitary manner of any sewage, liquid or solid wastes, night soil or industrial wastes;

(9) "Cost" shall mean, in addition to the usual connotations thereof, the cost of acquisition or construction of all or any part of a sewerage system and of all or any property, rights, easements, privileges, agreements and franchises deemed by the sewerage authority to be necessary or useful and convenient therefor or in connection therewith and the cost of retiring the present value of the unfunded accrued liability due and owing by a sewerage authority, as calculated by the system actuary for a date certain upon the request of a sewerage authority, for early retirement incentive benefits granted by the sewerage authority pursuant to P.L.1991, c.230 and P.L.1993, c.181, including interest or discount on bonds, cost of issuance of bonds, engineering and inspection costs and legal expenses, costs of financial, professional and other estimates and advice, organization, administrative, operating and other expenses of the sewerage authority prior to and during such acquisition or construction, and all such other expenses as may be necessary or incident to the financing, acquisition, construction and completion of said sewerage system or part thereof and the placing of the same in operation, and also such provision or reserves for working capital, operating, maintenance or replacement expenses or for payment or security of principal of or interest on bonds during or after such acquisition or construction as the sewerage authority may determine, and also reimbursements to the sewerage authority or any county, municipality or other person of any moneys theretofore expended for the purposes of the sewerage authority or to any county or municipality of any moneys theretofore expended for in connection with sanitation facilities;

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

(11) "Construct" and "construction" shall connote and include acts of construction, reconstruction, replacement, extension, improvement and betterment of a sewerage system;

(12) "Industrial wastes" shall mean liquid or other wastes resulting from any processes of industry, manufacture, trade or business or from the development of any natural resource;

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

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

(15) "Pollution" means the condition of water resulting from the
introduction therein of substances of a kind and in quantities
rendering it detrimental or immediately or potentially dangerous to
the public health, or unfit for public or commercial use;

(16) "Ordinance" means a written act of the governing body of a
municipality adopted and otherwise approved and published in the
manner or mode of procedure prescribed for ordinances tending to
obligate such municipality pecuniarily;

(17) "Resolution" means a written act of the governing body of a
local unit adopted and otherwise approved in the manner or mode of
procedure prescribed for resolutions tending to obligate such local
unit pecuniarily;

(18) "Bonds" shall mean bonds or other obligations issued
pursuant to [this act; and] P.L.1946, c. 138 (C.40:14A-1 et seq.);

(19) "Compensating reservoir" shall mean the structures,
facilities and appurtenances for the impounding, transportation and
release of water for the replenishment in periods of drought or at
other necessary times of all or a part of waters in or bordering the
State diverted into a sewer, sewage treatment or sewage disposal
system operated by the sewerage authority;

(20) "Stormwater" shall mean water resulting from precipitation
that: (a) runs off of the land’s surface; (b) is transmitted to the
subsurface; (c) is captured by separate storm sewers or other
sewerage or drainage facilities; or (d) is conveyed by snow removal
equipment; and

(21) "Stormwater management system" shall mean any
equipment, plant, structures, machinery, apparatus, management
practices, design practices, planning activities, or land, or any
combination thereof, acquired, used, constructed, implemented, or
operated to convey stormwater, control or reduce stormwater runoff
and associated pollutants or flooding, induce or control the
infiltration of groundwater recharge of stormwater, or eliminate
illicit or illegal nonstormwater discharges into stormwater
conveyances.

(cf: P.L.2002, c.42, s.4)

3. Section 6 of P.L.1946, c.138 (C.40:14A-6) is amended to
read as follows:
6. (a) The purposes of every sewerage authority shall be (1) the relief of waters in or bordering the State from pollution arising from causes within the district and the relief of waters in, bordering or entering the district from pollution or threatened pollution, and the consequent improvement of conditions affecting the public health, and (2) the promotion of the public health and welfare through appropriate management of stormwater.

(b) Every sewerage authority is hereby authorized and directed, subject to the limitations of [this act] P.L.1946, c.138 (C.40:14A-1 et seq.), to acquire, in its own name but for the local unit or units, by purchase, gift, condemnation or otherwise, and, notwithstanding the provisions of any charter, ordinance or resolution of any county or municipality to the contrary, to construct, maintain, operate and use such trunk, intercepting and outlet sewers, conduits, pipelines, pumping and ventilating stations, treatment plants or works or stormwater management systems at such places within or without the district, such compensating reservoirs within the county in which the district lies, and such other plants, structures, boats and conveyances, as in the judgment of the sewerage authority will provide an effective and satisfactory method for promoting the purposes of the sewerage authority.

(c) Every sewerage authority is hereby authorized and directed, when in its judgment its sewerage system or any part thereof will permit, to collect from any and all public systems within the district all sewage and stormwater, and treat and dispose of the same in such manner as to promote the purposes of the sewerage authority.

(cf: P.L.1953, c.177, s.4)

4. (New section) a. Every sewerage authority is hereby authorized to charge and collect rents, rates, fees, or other charges for direct or indirect use or services of its stormwater management system. The stormwater service charges may be charged to and collected from the owner or occupant, or both, of any real property. The owner of any real property shall be liable for and shall pay the stormwater service charges to the sewerage authority at the time when and place where these charges are due and payable. The rents, rates, fees, and charges shall be determined in a manner consistent with the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to section 24 of P.L. , c. (C. ) (pending before the Legislature as this bill).

b. Any stormwater service charge imposed pursuant to subsection a. of this section shall be calculated in a manner consistent with the guidance provided in the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to section 24 of P.L. , c. (C. ) (pending before the Legislature as this bill).
Section 9 of P.L.1946, c.138 (C.40:14A-9) is amended to read as follows:

9. a. Any local unit shall have power, in the discretion of its governing body, to appropriate moneys for the purposes of the sewerage authority, and to loan or donate such moneys to the sewerage authority in such installments and upon such terms as may be agreed upon between such local unit and the sewerage authority.

b. Subject to section 29 of [this act] P.L.1946, c.138 (C.40:14A-29), any local unit shall have the power to authorize as a general improvement or, in the case of a local unit which is a municipality, as a local improvement the construction and financing of any facilities for the collection, storage, treatment and disposal of sewage or stormwater arising within a district. Subject to the consent and approval of the sewerage authority, such facilities may be operated by the local unit and the local unit may fix rates and charges for the use thereof, in addition to the payment of special assessments levied by a municipality against lands and real estate specially benefited by such improvements. As provided in section 22 of [this act] P.L.1946, c.138 (C.40:14A-22), such facilities may be acquired and operated by the sewerage authority as part of the sewerage system, notwithstanding that special assessments may be or may have been levied for such improvements by a municipality. (cf: P.L.1970, c.209, s.1)

Section 23 of P.L.1946, c.138 (C.40:14A-23) is amended to read as follows:

23. Any sewerage authority, for the carrying out and effectuation of its purposes, and (a) any of the local units or (b) any other municipality whether within or without the district, and (c) any other sewerage authority, any municipal authority or any other public body of the State empowered to collect, store, treat or dispose of sewage or stormwater (all such local units, municipalities, other sewerage authorities, municipal authorities and other public bodies being hereinafter referred to individually as a "governmental unit") for fostering the relief of waters in, bordering or entering the territorial area of the governmental unit from pollution or threatened pollution, promoting the public health and welfare through appropriate management of stormwater, or assisting the sewerage authority in carrying out and effectuating its purposes may enter into a contract or contracts providing for or relating to the collection, storage, treatment and disposal of sewage or stormwater originating in the district or received by the sewerage authority, or originating in the territorial area of or collected by the governmental unit, by means of the sewerage system or any sewage or stormwater facilities of the governmental unit or both, and the cost and expense of such collection, storage, treatment and disposal, or may enter into a contract with a private firm for the operation or improvement of works for the collection, storage,
treatment or disposal of stormwater, and the cost and expense of such collection, storage, treatment and disposal. Such contract or contracts may provide for the payment to the sewerage authority by the governmental unit annually or otherwise of such sum or sums of money, computed at fixed amounts or by a formula based on any factors or other matters described in subsection (b) of section 8 of [this act] P.L.1946, c.138 (C.40:14A-8) or section 4 of P.L.____, c. (C.____) (pending before the Legislature as this bill) or in any other manner, as said contract or contracts may provide, and the sum or sums so payable may include provision for all or any part or a share of the amounts necessary (1) to pay or provide for the expenses of operation and maintenance of the sewerage system, including without limitation insurance, extension, betterments and replacements and the principal of and interest on any bonds, and (2) to provide for any deficits resulting from failure to receive sums payable to the sewerage authority by such governmental unit, any other governmental unit or county, or any person, or from any other cause, and (3) to maintain such reserves or sinking funds for any of the foregoing as may be required by the terms of any contract of the sewerage authority or as may be deemed necessary or desirable by the sewerage authority. Any such contract may provide that the sum or sums so payable to the sewerage authority shall be in lieu of all or any part of the service charges which would otherwise be charged and collected by the sewerage authority with regard to persons or real property within the territorial area of the governmental unit. Such contract or contracts may also contain provisions as to the financing and payment of expenses to be incurred by the sewerage authority and determined by it to be necessary for its purposes prior to the placing in operation of the sewerage system and may provide for the payment by the governmental unit to the sewerage authority for application to such expenses or indebtedness therefor such sum or sums of money, computed as said contract or contracts may provide and as the governing body (hereinafter described) of the governmental unit shall, by virtue of its authorization of and entry into said contract or contracts, determine to be necessary for the purposes of the sewerage authority. Every such contract shall be authorized and entered into under and pursuant to a resolution adopted by the authority in the case of a sewerage or other authority, an ordinance of the governing body in the case of a municipality, a resolution of the governing body in the case of a county, and, in the case of any other public body, a resolution of the commission, council, board or body by whatever name it may be known (in this section sometimes referred to as "governing body") having charge of the finances of such public body, but the terms or text of said contract need not be set forth in full or stated in any such resolution or ordinance if the form of said contract is on file in the office of the clerk or other recording officer of the governmental unit or its governing body
and the place and fact of such filing is described in the resolution or
ordinance. Any such contract may be made with or without
consideration and for a specified or an unlimited time and on any
terms and conditions which may be approved by or on behalf of the
governmental unit and which may be agreed to by the sewerage
authority in conformity with its contracts with the holders of any
bonds, and shall be valid whether or not an appropriation with
respect thereto is made by the governmental unit prior to
authorization or execution thereof. Any contract heretofore or
hereafter entered into pursuant to authority of this section shall be
valid and shall be binding upon the parties thereto whether or not
the terms or text of said contract had been set forth in full or stated
in any ordinance or resolution authorizing such contract provided
the form of such contract had been filed as aforesaid and the place
and fact of such filing was described in such ordinance. Every such
governmental unit is hereby authorized and directed to do and
perform any and all acts or things necessary, convenient or
desirable to carry out and perform every such contract and to
provide for the payment or discharge of any obligation thereunder
in the same manner as other obligations of such governmental unit.
Subject to any such contracts with the holders of bonds, the
sewerage authority is hereby authorized to do and perform any and
all acts or things necessary, convenient or desirable to carry out and
perform every such contract and, in accordance with any such
contract, to waive, modify, suspend or reduce the service charges
which would otherwise be charged and collected by the sewerage
authority with regard to persons or real property within the
territorial area of the governmental unit, but nothing in this section
or any such contract shall prevent the sewerage authority from
charging and collecting, as if such contract had not been made,
service charges with regard to such persons and real property
sufficient to meet any default or deficiency in any payments agreed
in such contract to be made by the governmental unit.

(cf: P.L.1974, c.165, s.1)

7. Section 26 of P.L.1946, c.138 (C.40:14A-26) is amended to
read as follows:

26. (a) Each county and municipality within the district, and
every person owning or operating any sewer or drain or any system
of water distribution serving three or more parcels of real property
in the district, shall at the request of the sewerage authority make
available to the sewerage authority any and all of its maps, plans,
specifications, records, books, accounts or other data or things
deemed necessary by the sewerage authority for its purposes.

(b) Each county, municipality and other public body shall
promptly pay to any sewerage authority all service charges which
the sewerage authority may charge to it, as owner or occupant of
any real property, in accordance with section eight of this act] 8 of
P.L.1946, c.138 (C.40:14A-8) or section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill), and shall provide for the payment thereof in the same manner as other obligations of such county, municipality or public body.

(c) Each county, municipality and other person owning or operating any sewer or drain which serves three or more parcels of real property in the district and which discharges sewage or stormwater into waters in or bordering the State shall, upon notice from the sewerage authority of its availability and a proposed point of connection with the sewerage system, cause such sewer or drain to be connected with the sewerage system at such point and in such manner as the sewerage authority may specify and shall thereafter cause said sewer or drain to discharge into the sewerage system.

(d) Each county, municipality and other person owning or operating any system of water distribution serving three or more parcels of real property in the district shall, from time to time after request therefor by the sewerage authority, deliver to the sewerage authority copies of the records made by it in the regular course of business of the amount of water supplied by it to every such parcel of real property in the district. Such copies shall be delivered to the sewerage authority within sixty days after the making of such records, and the sewerage authority shall pay the reasonable cost of preparation and delivery of such copies.

(e) Each county and municipality owning or operating any system of water distribution serving three or more parcels of real property in the district shall, and every other person owning or operating any such system may, and is hereby authorized to enter into and perform a contract with the sewerage authority that it will, upon request by the sewerage authority specifying a parcel of real property in the district with regard to which a service charge under section [eight of this act] § 8 of P.L.1946, c.138 (C.40:14A-8) or section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill) is unpaid, cause the supply of water from its system to such parcel of real property to be stopped or restricted, as the sewerage authority may request, until such service charge and any subsequent service charge with regard to such parcel and the interest accrued thereon shall be fully paid or until the sewerage authority directs otherwise. No such county, municipality or other person shall be liable for any loss, damage or other claim based on or arising out of the stopping or restricting of such supply, and the sewerage authority shall pay the reasonable cost of so stopping or restricting such supply and of restoring the same and may agree to indemnify such county, municipality or other person from all loss or damage by reason of such stopping or restriction, including loss of profits.

(cf: P.L.1946, c.138, s.26)
8. Section 2 of P.L. 1957, c. 183 (C. 40: 14B - 2) is amended to read as follows:

2. It is hereby declared to be in the public interest and to be the policy of the State to foster and promote by all reasonable means; the provision and distribution of an adequate supply of water for the public and private uses of counties and municipalities and their inhabitants, the collection, disposal and recycling of solid waste, including sewage sludge, in an environmentally sound manner, the relief of lands and waters in or bordering the State from pollution, from domestic, industrial and other sources, including pollution derived from chemical and hazardous wastes, and thus the reduction and ultimate abatement of the menace to the public health resulting from such pollution, and the generation of hydroelectric power, and the promotion of the public health and welfare through appropriate management of stormwater. It is the purpose and object of this act to further and implement such policy by:

(1) Authorizing counties, or municipalities either separately or in combination with other municipalities, by means and through the agency of a municipal authority, to acquire, construct, maintain, operate or improve works for the accumulation, supply or distribution of water, works for the collection, treatment, recycling, and disposal of solid wastes, works for the collection, treatment, purification or disposal of sewage or other wastes, works for the collection, storage, treatment, or disposal of stormwater, and works for the generation of hydroelectric power, or to contract with private firms for the operation or improvement of works for the collection, storage, treatment, or disposal of stormwater;

(2) Authorizing service charges to occupants or owners of property for direct or indirect connection with and the use, products or services of such works, and providing for the establishment, collection and enforcement of such charges;

(3) Creating as bodies corporate and politic municipal authorities to have full responsibility and powers with respect to such works and the establishment, collection, enforcement, use and disposition of all such service charges;

(4) Providing for the financing of such works, for the issuance of bonds therefor, and for the payment and security of such bonds; and

(5) In general, granting to counties and municipalities and to such municipal authorities discretionary powers to provide for utility services designed to provide or distribute such a supply of water, to recycle or dispose of solid waste, to relieve pollution of such waters in or bordering the State, or to manage stormwater, at the expense of the users of such services or of counties or municipalities or other persons contracting for or with respect to the same or to generate hydroelectric power.

It is further declared that the acquisition, construction, operation, and maintenance of stormwater management systems are essential to the goals of protecting and improving the State’s water quality,
and are necessary to prevent and abate nonpoint sources of pollution, minimize stormwater runoff, control flooding, and enhance groundwater recharge.

(cf: P.L.1980, c.34, s.2)

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

3. As used in this act P.L.1957, c.183 (C.40:14B-1 et seq.), unless a different meaning clearly appears from the context:

(1) "Municipality" shall mean any city of any class, any borough, village, town, township, or any other municipality other than a county or a school district, and except when used in section 4, 5, 6, 11, 12, 13, 42 or 45 of this act P.L.1957, c.183 (C.40:14B-4, C.40:14B-5, C.40:14B-6, C.40:14B-11, C.40:14B-12, C.40:14B-13, C.40:14B-42, and C.40:14B-45), any agency thereof or any two or more thereof acting jointly or any joint meeting or other agency of any two or more thereof;

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

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

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

(5) "Municipal authority," "authority," or "water reclamation authority" shall mean a public body created or organized pursuant to section 4, 5 or 6 of this act P.L.1957, c.183 (C.40:14B-4, C.40:14B-5, and C.40:14B-6) and shall include a municipal utilities authority created by one or more municipalities and a county utilities authority created by a county;

(6) Subject to the exceptions provided in section 10, 11 or 12 of this act P.L.1957, c.183 (C.40:14B-10, C.40:14B-11, and C.40:14B-12), "district" shall mean the area within the territorial boundaries of the county, or of the municipality or municipalities, which created or joined in or caused the creation or organization of a municipal authority;

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

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

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

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

(11) "Cost" shall mean, in addition to the usual connotations thereof, the cost of acquisition or construction of all or any part of a utility system and of all or any property, rights, easements, privileges, agreements and franchises deemed by the municipal authority to be necessary or useful and convenient therefor or in connection therewith and the cost of retiring the present value of the unfunded accrued liability due and owing by a municipal authority, as calculated by the system actuary for a date certain upon the request of a municipal authority, for early retirement incentive benefits granted by the municipal authority pursuant to P.L.1991, c.230 and P.L.1993, c.181, including interest or discount on bonds, cost of issuance of bonds, engineering and inspection costs and legal expenses, cost of financial, professional and other estimates and advice, organization, administrative, operating and other expenses of the municipal authority prior to and during such acquisition or construction, and all such other expenses as may be necessary or incidental to the financing, acquisition, construction and completion of said utility system or part thereof and the placing of
the same in operation, and also such provision or reserves for
working capital, operating, maintenance or replacement expenses or
for payment or security of principal of or interest on bonds during
or after such acquisition or construction as the municipal authority
may determine, and also reimbursements to the municipal authority
or any county, municipality or other person of any moneys
theretofore expended for the purposes of the municipal authority or
to any county or municipality of any moneys theretofore expended
for or in connection with water supply, solid waste, water
distribution, sanitation, stormwater, or hydroelectric facilities;

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

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

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

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

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

(17) "Pollution" means the condition of water resulting from the
introduction therein of substances of a kind and in quantities
rendering it detrimental or immediately or potentially dangerous to
the public health, or unfit for public or commercial use;

(18) "Bonds" shall mean bonds or other obligations issued
pursuant to [this act] P.L.1957, c.183 (C.40:14B-1 et seq.);

(19) "Service charges" shall mean water service charges, solid
waste service charges, sewer service charges, stormwater service
charges, hydroelectric service charges or any combination of such
charges, as said terms are defined in [section 21 or 22 of this act or
in section 7 of this amendatory and supplementary act] section 21
or 22 of P.L.1957, c.183 (C.40:14B-21 and C.40:14B-22), section
(C.        ) (pending before the Legislature as this bill), or section 7
(20) "Compensating reservoir" shall mean the structures, facilities and appurtenances for the impounding, transportation and release of water for the replenishment in periods of drought or at other necessary times of all or a part of waters in or bordering the State diverted into a utility system operated by a municipal authority;

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

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

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

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

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

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

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

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

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

(30) "Solid waste system" shall mean and include the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by an authority or by any person to whom a municipal authority has extended credit for this purpose pursuant to the provisions of [this act] P.L.1957, c.183 (C.40:14B-1 et seq.), including transfer stations, incinerators, recycling facilities, including facilities for the generation, transmission and distribution of energy derived from the processing of solid waste, sanitary landfill facilities or other property or plants for the collection, recycling or disposal of solid waste and all vehicles, equipment and other real and personal property and rights thereon and appurtenances necessary or useful and convenient for the collection, recycling, or disposal of solid waste in a sanitary manner;

(31) "Hydroelectric system" shall mean the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by an authority pursuant to the provisions of [this act] P.L.1957, c.183 (C.40:14B-1 et seq.), including all that which is necessary or useful and convenient for the generation, transmission and sale of hydroelectric power at wholesale;

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

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

(34) "Alternative electrical energy" shall mean electrical energy produced from solar, photovoltaic, wind, geothermal, or biomass technologies, provided that in the case of biomass technology, the biomass is cultivated and harvested in a sustainable manner;

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

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

(37) "Pilot county utilities authority" shall mean a county utilities authority in a county designated as a pilot county;

(38) “Stormwater” shall mean water resulting from precipitation that: (a) runs off of the land’s surface; (b) is transmitted to the subsurface; (c) is captured by separate storm sewers or other sewerage or drainage facilities; or (d) is conveyed by snow removal equipment; and

(39) “Stormwater management system” shall mean any equipment, plant, structures, machinery, apparatus, management practices, design practices, planning activities, or land, or any combination thereof, acquired, used, constructed, implemented, or operated to convey stormwater, control or reduce stormwater runoff and associated pollutants or flooding, induce or control the infiltration of groundwater recharge of stormwater, or eliminate illicit or illegal nonstormwater discharges into stormwater conveyances.

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

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

6. a. The governing body of any municipality which shall have created a sewerage authority may, by ordinance duly adopted, provide and determine that said sewerage authority shall be reorganized as a municipal authority and thereupon and thereby cause said sewerage authority to be organized as a public body corporate and politic existing under and by virtue of [this act] P.L.1957, c.183 (C.40:14B-1 et seq.).

b. In any county which has created a sewerage authority or a county sewer authority or authorities, each such authority shall be reorganized as a county utilities authority and shall be continued as a public body corporate and politic existing under and by virtue of the municipal authorities law, P.L.1957, c.183 (C.40:14B-1 et seq.). The governing body of any county wherein a sewerage authority or a county sewer authority or authorities was reorganized pursuant to this section shall record such reorganization by resolution and file such resolution with the Secretary of State pursuant to section 7 of [this act] P.L.1957, c.183 (C.40:14B-7).

c. No authority reorganized pursuant to this section shall acquire, construct, maintain, operate or improve a water system, a solid waste system, a stormwater management system, or a hydroelectric system until such time as the governing body authorizes such action, by ordinance in the case of a municipality, or by resolution in the case of a county.

d. Said body shall consist of the members of said sewerage authority or of said county sewer authority holding office at the time of such organization, together with successors in such
membership appointed as if said sewerage authority or county
sewer authority had originally been created pursuant to section 4 of
this act P.L.1957, c.183 (C.40:14B-4), and, upon the passage of
this amendatory and supplementary act P.L.1980, c.34 or upon
the taking effect of such ordinance and the filing of a certified copy
thereof as in section 7 of this act P.L.1957, c.183 (C.40:14B-7)
provided, said body shall constitute a municipal authority
contemplated and provided for in this act P.L.1957, c.183
(C.40:14B-1 et seq.) and an agency and instrumentality of said
municipality or county. Said body as such municipal authority shall
have all of the rights and powers granted and be subject to all the
duties and obligations imposed by this act P.L.1957, c.183
(C.40:14B-1 et seq.) and, subject to the rights (if any) of the
holders of any bonds or other obligations of said sewerage authority
or county sewer authority theretofore issued, said body shall be the
successor in all respects to said sewerage authority or county sewer
authority and forthwith succeed to all of the rights, property, assets
and franchises of said sewerage authority or county sewer authority
and the said bonds or other obligations of said sewerage authority
or county sewer authority shall be assumed by and become the
obligations of said municipal authority, and the property of said
sewerage authority or county sewer authority shall be vested in said
municipal authority. Said body may at any time, by resolution duly
adopted, change its corporate name and adopt the name and
style of "the municipal utilities authority" with the name of said
municipality or county inserted.
(cf: P.L.1985, c.537, s.1)

11. Section 19 of P.L.1957, c.183 (C.40:14B-19) is amended to
read as follows:
19. (a) The purposes of every municipal authority shall be (1)
the provision and distribution of an adequate supply of water for the
public and private uses of the local units, and their inhabitants,
within the district, [and] (2) the relief of waters in or bordering the
State from pollution arising from causes within the district and the
relief of waters in, bordering or entering the district from pollution
or threatened pollution, and the consequent improvement of
conditions affecting the public health, (3) the provision of sewage
collection and disposal service within or without the district, [and]
(4) the provision of water supply and distribution service in such
areas without the district as are permitted by the provisions of this
act P.L.1957, c.183 (C.40:14B-1 et seq.), [and] (5) the provision
of solid waste services and facilities within or without the district in
a manner consistent with the "Solid Waste Management Act,"
P.L.1970, c.39 (C.13:1E-1 et seq.) and in conformance with the
solid waste management plans adopted by the solid waste
management districts created therein, [and] (6) the generation,
transmission and sale of hydroelectric power at wholesale, (7) the
operation and maintenance of utility systems owned by other
governments located within the district through contracts with said
governments, [and] (8) the provision of stormwater management
services within or without the district, and (9) in the case of an
authority that is a pilot county utilities authority, to fund
improvements to county infrastructure pursuant to the provisions of

(b) Every municipal authority is hereby authorized, subject to
the limitations of [this act] P.L.1957, c.183 (C.40:14B-1 et seq.), to
acquire, in its own name but for the local unit or units, by purchase,
gift, condemnation or otherwise, lease as lessee, and,
notwithstanding the provisions of any charter, ordinance or
resolution of any county or municipality to the contrary, to
to construct, maintain, operate and use such reservoirs, basins, dams,
canals, aqueducts, standpipes, conduits, pipelines, mains, pumping
and ventilating stations, treatment, purification and filtration plants
or works, trunk, intercepting and outlet sewers, water distribution
systems, waterworks, sources of water supply and wells, and stormwater management systems at such places within or without
the district, such compensating reservoirs within a county in which
any part of the district lies, and such other plants, structures, boats
and conveyances, as in the judgment of the municipal authority will
provide an effective and satisfactory method for promoting
purposes of the municipal authority.

(c) Every municipal authority is hereby authorized and directed,
when in its judgment its sewerage system or any part thereof will
permit, to collect from any and all public systems within the district
all sewage and stormwater and treat and dispose of the same in such
manner as to promote purposes of the municipal authority.

(d) Every municipal utilities authority is authorized to promote
the production and use of alternative electrical energy by
contracting with producers of alternative electrical energy for the
installation, construction, maintenance, repair, relocation,
or removal of alternative electrical energy systems, and for the
purchase of excess alternative electrical energy generated by a
producer of alternative electrical energy. Any purchase or sale of
alternative electrical energy where such energy is distributed using
the infrastructure of a public utility, as that term is defined in
R.S.48:2-13, shall include the payment by the purchaser of all
relevant non-bypassable charges as provided for in the "Electric
Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49
et al.).

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

12. Section 20 of P.L.1957, c.183 (C.40:14B-20) is amended to
read as follows:
20. Every municipal authority shall be a public body politic and corporate constituting a political subdivision of the State established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare and shall have perpetual succession and have the following powers:

(1) To adopt and have a common seal and to alter the same at pleasure;
(2) To sue and be sued;
(3) In the name of the municipal authority and on its behalf, to acquire, hold, use and dispose of its service charges and other revenues and other moneys;
(4) In the name of the municipal authority but for the local unit or units, to acquire, rent, hold, lease as lessor, use and dispose of other personal property for the purposes of the municipal authority;
(5) In the name of the municipal authority but for the local unit or units and subject to the limitations of this act P.L.1957, c.183 (C.40:14B-1 et seq.), to acquire by purchase, gift, condemnation or otherwise, or lease as lessee, real property and easements therein, necessary or useful and convenient for the purposes of the municipal authority, and subject to mortgages, deeds of trust or other liens, or otherwise, and to hold, lease as lessor, and to use the same, and to dispose of property so acquired no longer necessary for the purposes of the municipal authority;
(6) To produce, develop, purchase, accumulate, distribute and sell water and water services, facilities and products within or without the district, provided that no water shall be sold at retail in any municipality or county without the district unless the governing body of such municipality or county shall have adopted a resolution requesting the municipal authority to sell water at retail in such municipality or county, and the board of public utility commissioners shall have approved such resolution as necessary and proper for the public convenience;
(7) To provide for and secure the payment of any bonds and the rights of the holders thereof, and to purchase, hold and dispose of any bonds;
(8) To accept gifts or grants of real or personal property, money, material, labor or supplies for the purposes of the municipal or county authority, and to make and perform such agreements and contracts as may be necessary or convenient in connection with the procuring, acceptance or disposition of such gifts or grants;
(9) To enter on any lands, waters or premises for the purpose of making surveys, borings, soundings and examinations for the purposes of the municipal authority, and whenever the operation of a septic tank or other component of an on-site wastewater system shall result in the creation of pollution or contamination source on private property such that under the provisions of R.S.26:3-49, a local board of health would have the authority to notify the owner and require said owner to abate the same, representatives of an
authority shall have the power to enter, at all reasonable times, any premises on which such pollution or contamination source shall exist, for the purpose of inspecting, rehabilitating, securing samples of any discharges, improving, repairing, replacing, or upgrading such septic tank or other component of an on-site wastewater system;

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

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

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

(13) To do and perform any acts and things authorized by \[this act\] P.L.1957, c.183 (C.40:14B-1 et seq.) under, through or by means of its own officers, agents and employees, or by contracts with any person;

(14) To enter into any and all contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the municipal authority or to carry out any power expressly given in \[this act\] P.L.1957, c.183 (C.40:14B-1 et seq.) subject to the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.);

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

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

(17) In the case of an authority that is a pilot county utilities
authority, to fund improvements to county infrastructure pursuant to
the provisions of subsection b. of section 40 of P.L.1957, c.183
(C.40:14B-40).
(cf: P.L.2013, c.190, s.5)

13. (New section) a. Every municipal authority is hereby
authorized to charge and collect rents, rates, fees, or other charges
for stormwater management on any owner or occupant, or both, of
any real property situated in a constituent municipality to be
determined in a manner consistent with the stormwater utility
guidance manual created by the Department of Environmental
Protection pursuant to section 24 of P.L. , c. (C. ) (pending
before the Legislature as this bill). The owner of any real property
shall be liable for and shall pay the stormwater service charges to
the municipal authority at the time when and place where these
charges are due and payable. The rents, rates, fees, and charges
shall be determined in a manner consistent with the stormwater
utility guidance manual created by the Department of
Environmental Protection pursuant to section 24 of
P.L. , c. (C. ) (pending before the Legislature as this bill).

b. Any stormwater service charge imposed pursuant to
subsection a. of this section shall be calculated in a manner
consistent with the guidance provided in the stormwater utility
guidance manual created by the Department of Environmental
Protection pursuant to section 24 of P.L. , c. (C. ) (pending
before the Legislature as this bill).
14. Section 24 of P.L.1957, c.183 (C.40:14B-24) is amended to read as follows:

24. a. Any local unit shall have power, in the discretion of its governing body, to appropriate moneys for the purposes of the municipal authority, and to loan or donate such moneys to the municipal authority in such installments and upon such terms as may be agreed upon between such local unit and the municipal authority.

b. Subject to section 61 of [this act (C. 40:14B-60)] P.L.1957, c.183 (C.40:14B-61), any local unit shall have the power to authorize as a general improvement or, in the case of a local unit which is a municipality, as a local improvement the construction and financing of any facilities for the collection, storage, treatment and disposal of sewage or stormwater or for the collection, recycling or disposal of solid waste within the district arising within a district, or any facilities for the distribution of water within a district. Subject to the consent and approval of the municipal authority, such facilities may be operated by the local unit and the local unit may fix rates and charges for the use thereof, in addition to the payment of any special assessments levied by a municipality against lands and real estate specially benefited by such improvements. As provided in section 48 of [this act] P.L.1957, c.183 (C.40:14B-48), such facilities may be acquired and operated by the municipal authority as a part of the utility system, notwithstanding that special assessments may be or may have been levied for such improvements by a municipality.

(cf: P.L.1977, c.384, s.11)

15. Section 44 of P.L.1957, c.183 (C.40:14B-44) is amended to read as follows:

44. In the event that a sewer service charge or stormwater service charge of any municipal authority with regard to any parcel of real property shall not be paid as and when due, the municipal authority may, in accordance with section 57 of [this act] P.L.1957, c.183 (C.40:14B-57), cause the supply of water to such parcel by any county, municipality or other person to be stopped or restricted until such sewer service charge or stormwater service charge and any subsequent sewer service charge or stormwater service charge with regard to such parcel and all interest accrued thereon shall be fully paid to the municipal authority. If for any reason such supply of water shall not be promptly stopped or restricted as required by section 57 of [this act] P.L.1957, c.183 (C.40:14B-57), the municipal authority may itself shut off or restrict such supply and, for that purpose, may enter on any lands, waters or premises of any county, municipality or other person. Such supply of water to such parcel shall, notwithstanding the provisions of this section, be restored or increased if the [State] Department of Health, upon
application of the local board of health or health officer of the
municipality where such parcel is situate, shall after public hearing
find and shall certify to the municipal authority that the continuance
of such stopping or restriction of such supply of water endangers
the health of the public in such municipality.
(cf: P.L.1957, c.183, s.44)

16. Section 48 of P.L.1957, c.183 (C.40:14B-48) is amended to
read as follows:

Any county, by resolution of its governing body, or any
municipality, by ordinance of its governing body, or any other
person is hereby empowered, without any referendum, to sell, lease,
lend, grant or convey to any municipal authority, or to permit any
municipal authority to use, maintain or operate as part of the utility
system, any real or personal property owned by it, including all or
any part of any water supply, water distribution, stormwater
management, or sewerage facilities, which may be necessary or
useful and convenient for the purposes of the municipal authority
and accepted by the municipal authority. Any such sale, lease,
loan, grant, conveyance or permit may be made with or without
consideration and for a specified or an unlimited period of time and
under any agreement and on any terms and conditions which may
be approved by such county, municipality or other person and
which may be agreed to by the municipal authority in conformity
with its contracts with the holders of any bonds. Subject to any
such contracts with holders of bonds, the municipal authority may
enter into and perform any and all agreements with respect to
property so accepted by it, including agreements for the assumption
of principal or interest or both of indebtedness of such county,
municipality or other person or of any mortgage or lien existing
with respect to such property or for the operation and maintenance
of such property as part of the utility system.
(cf: P.L.1957, c.183, s.48)

17. Section 49 of P.L.1957, c.183 (C.40:14B-49) is amended to
read as follows:

49. Any municipal authority for the carrying out and
effectuation of its purposes, and (a) any of the local units (b) any
other municipality whether within or without the district and (c) any
other municipal authority, any sewerage authority or any other
public body of the State empowered to treat or dispose of sewage or
solid waste (all such local units, municipalities, other municipal
authorities, sewerage authorities and other bodies being hereinafter
referred to individually as a "governmental unit") for fostering the
relief of waters in, bordering or entering the territorial area of the
governmental unit from pollution or threatened pollution or
assisting the municipal authority in carrying out and effectuating its
purposes, may enter into a contract or contracts providing for or
relating to the collection, storage, treatment and disposal of sewage, stormwater or solid waste originating in the district or received by the municipal authority, or originating in the territorial area of or collected by the governmental unit, by means of the sewerage, stormwater management or solid waste system or any sewerage, stormwater management or solid waste facilities of the governmental unit or both, and the cost and expense of such collection, storage, treatment and disposal, or may enter into a contract with a private firm for the operation or improvement of a stormwater management system for the collection, treatment or disposal of stormwater, and the cost and expense of such collection, treatment and disposal. Any municipal authority for the carrying out and effectuation of its purposes, and (a) any of the local units (b) any other municipality whether within or without the district and (c) any other municipal authority, any sewerage authority or any other public body of the State empowered to sell and supply water (all such local units, municipalities, other municipal authorities, sewerage authorities and other bodies being hereinafter referred to individually as a "governmental unit") for fostering the provision and distribution of an adequate supply of water within the territorial area of the governmental unit or assisting the municipal authority in carrying out and effectuating its purposes may enter into a contract or contracts providing for or relating to the sale or supplying of water to such municipal authority or to the governmental unit or to persons or properties within the district or the governmental unit, and the cost and expense of such sale or supplying of water. Any such contract may provide for the payment to the municipal authority by the governmental unit annually or otherwise of such sum or sums of money, computed at fixed amounts or by a formula based on any factors or other matters described in section 21 [or section 22 of this act] of P.L.1957, c.183 (C.40:14B-21), section 22 of P.L.1957, c.183 (C.40:14B-22), or section 13 of P.L. , c. (C. ) (pending before the Legislature as this bill) or in any other manner, as said contract or contracts may provide, and may provide that the sum or sums so payable to the municipal authority shall be in lieu of all or any part of the service charges which would otherwise be charged and collected by the municipal authority with regard to persons or real property within the territorial area of the governmental unit. Such contract or contracts may also contain provisions as to the financing and payment of expenses to be incurred by the municipal authority and determined by it to be necessary for its purposes prior to the placing in operation of a sewerage, stormwater management, solid waste or water supply and distribution system and may provide for the payment by the governmental unit to the municipal authority for application to such expenses or indebtedness therefor such sum or sums of money, computed as said contract or contracts may provide and as the governing body (hereinafter described) of the
governmental unit shall, by virtue of its authorization of and entry
into said contract or contracts, determine to be necessary for the
purposes of the municipal authority. Every such contract shall be
authorized and entered into under and pursuant to a resolution
adopted by the authority in the case of municipal or other authority,
an ordinance of the governing body in the case of a municipality, a
resolution or ordinance of the governing body in the case of a
county, and, in the case of any other public body, a resolution of the
commission, council, board or body by whatever name it may be
known (in this section sometimes referred to as "governing body")
having charge of the finances of such public body, but the terms or
text of said contract need not be set forth in full or stated in any
such resolution or ordinance if the form of said contract is on file in
the office of the clerk or other recording officer of the governmental
unit or its governing body and the place in fact of such filing is
described in the resolution or ordinance. Any such contract may be
made with or without consideration and for a specified or an
unlimited time and on any terms and conditions which may be
approved by or on behalf of the governmental unit and which may
be agreed to by the municipal authority in conformity with its
contracts with the holders of any bonds, and shall be valid whether
or not an appropriation with respect thereto is made by the
governmental unit prior to authorization or execution thereof.
Every such governmental unit is hereby authorized and directed to
do and perform any and all acts or things necessary, convenient or
desirable to carry out and perform every such contract and to
provide for the payment or discharge of any obligation thereunder
in the same manner as other obligations of such governmental unit.
Subject to any such contracts with the holders of bonds, the
municipal authority is hereby authorized to do and perform any and
all acts or things necessary, convenient or desirable to carry out and
perform every such contract and, in accordance with any such
contract, to waive, modify, suspend or reduce the service charges
which would otherwise be charged and collected by the municipal
authority with regard to persons or real property within the
territorial area of the governmental unit, but nothing in this section
or any such contract shall prevent the municipal authority from
charging and collecting, as if such contract had not been made,
service charges with regard to such persons and real property
sufficient to meet any default or deficiency in any payments agreed
in such contract to be made by such governmental unit.
(cf: P.L.1979, c.86, s.14)

18. Section 54 of P.L.1957, c.183 (C.40:14B-54) is amended to
read as follows:

54. Each county, municipality and other public body shall
promptly pay to any municipal authority all service charges which
the municipal authority may charge to it, as owner or occupant of
any real property, in accordance with section 21 [or section 22 of
this act] of P.L.1957, c.183 (C.40:14B-21), section 22 of P.L.1957,
c.183 (C.40:14B-22), or section 13 of P.L. , c. (C. )
(pending before the Legislature as this bill), and shall provide for
the payment thereof in the same manner as other obligations of such
county, municipality or public body.
(cf: P.L.1957, c.183, s.54)

19. Section 57 of P.L.1957, c.183 (C.40:14B-57) is amended to
read as follows:

Each county and municipality owning or operating any system of
water distribution serving [3] three or more parcels of real property
in the district shall, and every other person owning or operating any
such system may and is hereby authorized to enter into and perform
a contract with the municipal authority that it will, upon request by
the municipal authority specifying a parcel of real property in the
district with regard to which a service charge under section 22 of
(C. ) (pending before the Legislature as this bill) is unpaid,
cause the supply of water from its system to such parcel of real
property to be stopped or restricted, as the municipal authority may
request, until such service charge and any subsequent service
charge with regard to such parcel and the interest accrued thereon
shall be fully paid or until the municipal authority directs otherwise.
No such county, municipality or other person shall be liable for any
loss, damage or other claim based on or arising out of the stopping
or restricting of such supply, and the municipal authority shall pay
the reasonable cost of so stopping or restricting such supply and of
restoring the same and may agree to indemnify such county,
municipality or other person from all loss or damage by reason of
such stopping or restriction, including loss of profits.
(cf: P.L.1957, c.183, s.57)

20. Section 60 of P.L.1957, c.183 (C.40:14B-60) is amended to
read as follows:

60. (a) No county, municipality or person shall discharge or
suffer to be discharged directly or indirectly into any waters in or
bordering a district any sewage which may or will cause or
contribute to the pollution of such waters; provided, that this
prohibition shall be applicable only to such part or parts of such
waters as are in an area of the district bounded and described in a
notice, inserted at least once in a newspaper published or circulating
in the district, to the effect that the municipal authority has
provided facilities reasonably sufficient in its opinion for the
treatment and disposal of sewage which by discharge into such
waters might cause or contribute to pollution of such waters, and
that pollution of such waters is forbidden by law. Such a notice
shall constitute prima facie evidence of the existence of facilities sufficient for the treatment and disposal of all such sewage.

(b) No county, municipality or person shall discharge or suffer to be discharged directly or indirectly into the sewage system, the stormwater management system, or the solid waste system of any municipal authority any matter or thing which is or may be injurious or deleterious to such sewerage system, stormwater management system, or solid waste system or to its efficient operation.

(c) No county, municipality or person shall discharge or suffer to be discharged directly or indirectly into the water system of any municipal authority or on any lands or into any waters tributary to such water system any matter or thing which is or may be injurious or deleterious to such water system or to its efficient operation or may or will cause or contribute to a danger to the health of the public in the district.

(d) Any county, municipality or person may be restrained, enjoined or otherwise prevented from violating or continuing the violation of any provision of this section in a proceeding in lieu of prerogative writ, or other appropriate proceeding, or in an action for injunctive or other relief instituted by a municipal authority or by any county prosecutor.

(e) No violation of any provision of this section shall be deemed to have occurred by reason of the discharge of sewage from any boat or vessel while afloat or on a marine railway in drydock.

(cf: P.L.1977, c.384, s.14)

21. Section 2 of P.L.1960, c.183 (C.40:37A-45) is amended to read as follows:

2. As used in this act P.L.1960, c.183 (C.40:37A-44 et seq.), unless a different meaning clearly appears from the context:

(a) "Authority" shall mean a public body created pursuant to this act P.L.1960, c.183 (C.40:37A-44 et seq.);

(b) "Bond resolution" shall have the meaning ascribed thereto in section 17 of P.L.1960, c.183 (C.40:37A-60);

(c) "Bonds" shall mean bonds, notes or other obligations issued pursuant to this act;

(d) "Construct" and "construction" shall connote and include acts of clearance, demolition, construction, development or redevelopment, reconstruction, replacement, extension, improvement and betterment;

(e) "Cost" shall mean, in addition to the usual connotations thereof, the cost of planning, acquisition or construction of all or any part of any public facility or facilities of an authority and of all or any property, rights, easements, privileges, agreements and franchises deemed by the authority to be necessary or useful and convenient therefor or in connection therewith and the cost of retiring the present value of the unfunded accrued liability due and
owing by the authority, as calculated by the system actuary for a
date certain upon the request of the authority, for early retirement
incentive benefits granted by the authority pursuant to P.L.1991,
c.230 and P.L.1993, c.181, including interest or discount on bonds,
cost of issuance of bonds, architectural, engineering and inspection
costs and legal expenses, cost of financial, professional and other
estimates and advice, organization, administrative, operating and
other expenses of the authority prior to and during such acquisition
or construction, and all such other expenses as may be necessary or
incident to the financing, acquisition, construction and completion
of such public facility or facilities or part thereof and the placing of
the same fully in operation or the disposition of the same, and also
such provision or reserves for working capital, operating,
maintenance or replacement expenses or for payment or security of
principal of or interest on bonds during or after such acquisition or
construction as the authority may determine, and also
reimbursements to the authority or any governmental unit or person
of any moneys theretofore expended for the purposes of the
authority;

(f) The term "county" shall mean any county of any class of the
State and shall include, without limitation, the terms "the county"
and "beneficiary county" defined in [this act] P.L.1960, c.183
(C.40:37A-44 et seq.), and the term "the county" shall mean the
county which created an authority pursuant to [this act] P.L.1960,
c.183 (C.40:37A-44 et seq.);

(g) "Development project" shall mean any lands, structures, or
property or facilities acquired or constructed or to be acquired or
constructed by an authority for the purposes of the authority
described in subsection (e) of section 11 of P.L.1960, c.183
(C.40:37A-54);

(h) "Facility charges" shall have the meaning ascribed to said
term in section 14 of P.L.1960, c.183 (C.40:37A-57);

(i) "Facility revenues" shall have the meaning ascribed to said
term in subsection (e) of section 20 of P.L.1960, c.183 (C.40:37A-
63);

(j) "Governing body" shall mean, in the case of a county, the
board of chosen freeholders, or in the case of a county operating
under article 3 or 5 of the "Optional County Charter Law,"
P.L.1972, c.154 (C.40:41A-1 et seq.) as defined thereunder, and, in
the case of a municipality, the commission, council, board or body,
by whatever name it may be known, having charge of the finances
of the municipality;

(k) "Governmental unit" shall mean the United States of
America or the State or any county or municipality or any
subdivision, department, agency, or instrumentality heretofore or
hereafter created, designated or established by or for the United
States of America or the State or any county or municipality;
"Local bond law" shall mean chapter 2 of Title 40A, Municipalities and Counties, of the New Jersey Statutes (N.J.S.) as amended and supplemented;

"Municipality" shall mean any city, borough, village, town, or township of the State but not a county or a school district;

"Person" shall mean any person, partnership, association, corporation or entity other than a nation, state, county or municipality or any subdivision, department, agency or instrumentality thereof;

"Project" shall have the meaning ascribed to said term in section 17 of P.L.1960, c.183 (C.40:37A-60);

"Public facility" shall mean any lands, structures, franchises, equipment, or other property or facilities acquired, constructed, owned, financed, or leased by the authority or any other governmental unit or person to accomplish any of the purposes of an authority authorized by section 11 of P.L.1960, c.183 (C.40:37A-54);

"Real property" shall mean lands within or without the State, above or below water, and improvements thereof or thereon, or any riparian or other rights or interests therein;

"Garbage and solid waste disposal system" shall mean the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by a county improvement authority, including incinerators, sanitary landfill facilities or other plants for the treatment and disposal of garbage, solid waste and refuse matter and all other real and personal property and rights therein and appurtenances necessary or useful and convenient for the collection and treatment or disposal in a sanitary manner of garbage, solid waste and refuse matter (but not including sewage);

"Garbage, solid waste or refuse matter" shall mean garbage, refuse and other discarded materials resulting from industrial, commercial and agricultural operations, and from domestic and community activities, and shall include all other waste materials including sludge, chemical waste, hazardous wastes and liquids, except for liquids which are treated in public sewage treatment plants and except for solid animal and vegetable wastes collected by swine producers licensed by the State Department of Agriculture to collect, prepare and feed such wastes to swine on their own farms;

"Blighted, deteriorated or deteriorating area" may include an area determined heretofore by the municipality to be blighted in accordance with the provisions of P.L.1949, c.187, repealed by P.L.1992, c.79 (C.40:55-21.1 et seq.) and, in addition, areas which are determined by the municipality, pursuant to the same procedures as provided in said law, to be blighted, deteriorated or deteriorating because of structures or improvements which are dilapidated or characterized by disrepair, lack of ventilation or light or sanitary.
facilities, faulty arrangement, location, or design, or other
unhealthful or unsafe conditions;
(u) "Redevelopment" may include planning, replanning,
conservation, rehabilitation, clearance, development and
redevelopment; and the construction and rehabilitation and
provision for construction and rehabilitation of residential,
commercial, industrial, public or other structures and the grant or
dedication or rededication of spaces as may be appropriate or
necessary in the interest of the general welfare for streets, parks,
playgrounds, or other public purposes including recreational and
other facilities incidental or appurtenant thereto, in accordance with
a redevelopment plan approved by the governing body of a
municipality;
(v) "Redevelopment plan" shall mean a plan as it exists from
time to time for the redevelopment of all or any part of a
redevelopment area, which plan shall be sufficiently complete to
indicate such land acquisition, demolition and removal of
structures, redevelopment, improvements, conservation or
rehabilitation as may be proposed to be carried out in the area of the
project, zoning and planning changes, if any, land uses, maximum
densities, building requirements, the plan's relationship to definite
local objectives respecting appropriate land uses, improved traffic,
public transportation, public utilities, recreational and community
facilities, and other public improvements and provision for
relocation of any residents and occupants to be displaced in a
manner which has been or is likely to be approved by the
Department of Community Affairs pursuant to the "Relocation
the "Relocation Assistance Act," P.L.1971, c.362 (C.20:4-1 et seq.)
and rules and regulations pursuant thereto;
(w) "Redevelopment project" shall mean any undertakings and
activities for the elimination, and for the prevention of the
development or spread, of blighted, deteriorated, or deteriorating
areas and may involve any work or undertaking pursuant to a
redevelopment plan; such undertaking may include: (1) acquisition
of real property and demolition, removal or rehabilitation of
buildings and improvements thereon; (2) carrying out plans for a
program of voluntary repair and rehabilitation of buildings or other
improvements; and (3) installation, construction or reconstruction
of streets, utilities, parks, playgrounds or other improvements
necessary for carrying out the objectives of the redevelopment
project;
(x) "Redeveloper" shall mean any person or governmental unit
that shall enter into or propose to enter into a contract with an
authority for the redevelopment of an area or any part thereof under
the provisions of this act P.L.1960, c.183 (C.40:37A-44 et seq.);
(y) "Redevelopment area" shall mean an area of a municipality
which the governing body thereof finds is a blighted area or an area
in need of rehabilitation whose redevelopment is necessary to
1  effectuate the public purposes declared in [this act] P.L.1960,
2  c.183 (C.40:37A-44 et seq.). A redevelopment area may include
3  lands, buildings, or improvements which of themselves are not
detrimental to the public health, safety or welfare, but whose
4  inclusion is found necessary, with or without change in their
5  condition, for the effective redevelopment of the area of which they
6  are a part;
7
(z) "Sludge" shall mean any solid, semisolid, or liquid waste
8  generated from a municipal, industrial or other sewage treatment
9  plant, water supply treatment plant, or air pollution control facility,
or any other such waste having similar characteristics and effects,
but shall not include effluent [; and]
10
(aa) "Beneficiary county" shall mean any county that has not
11  created an authority pursuant to [this act] P.L.1960, c.183
12  (C.40:37A-44 et seq.);
13
  (bb) "Stormwater" shall mean water resulting from precipitation
14  that: (1) runs off of the land’s surface; (2) is transmitted to the
15  subsurface; (3) is captured by separate storm sewers or other
16  sewerage or drainage facilities; or (4) is conveyed by snow removal
17  equipment; and
18
  (cc) "Stormwater management system" shall mean any
19  equipment, plant, structures, machinery, apparatus, management
20  practices, design practices, planning activities, or land, or any
21  combination thereof, acquired, used, constructed, implemented, or
22  operated to convey stormwater, control or reduce stormwater runoff
23  and associated pollutants or flooding, induce or control the
24  infiltration of groundwater recharge of stormwater, or eliminate
25  illicit or illegal nonstormwater discharges into stormwater
26  conveyances.
27  (cf: P.L.2002, c.42, s.6)
28
22. Section 11 of P.L.1960, c.183 (C.40:37A-54) is amended to
23  read as follows:
24
11. The purposes of every authority shall be (a) provision within
25  the county or any beneficiary county of public facilities for use by
26  the State, the county or any beneficiary county, or any municipality
27  in any such county, or any two or more or any subdivisions,
departments, agencies or instrumentalities of any of the foregoing
for any of their respective governmental purposes, (b) provision
within the county or any beneficiary county of public facilities for
use as convention halls, or the rehabilitation, improvement or
enlargement of any convention hall, including appropriate and
desirable appurtenances located within the convention hall or near,
adjacent to or over it within boundaries determined at the discretion
of the authority, including but not limited to office facilities,
commercial facilities, community service facilities, parking
facilities, hotel facilities and other facilities for the accommodation
and entertainment of tourists and visitors, (c) provision within the county or any beneficiary county of structures, franchises, equipment and facilities for operation of public transportation or for terminal purposes, including development and improvement of port terminal structures, facilities and equipment for public use in counties in, along or through which a navigable river flows, (d) provision within the county or any beneficiary county of structures or other facilities used or operated by the authority or any governmental unit in connection with, or relative to development and improvement of, aviation for military or civilian purposes, including research in connection therewith, and including structures or other facilities for the accommodation of passengers, (e) provision within the county or any beneficiary county of a public facility for a combination of governmental and nongovernmental uses; provided that not more than 50% of the usable space in any such facility shall be made available for nongovernmental use under a lease or other agreement by or with the authority, (f) acquisition of any real property within the county or any beneficiary county, with or without the improvements thereof or thereon or personal property appurtenant or incidental thereto, from the United States of America or any department, agency or instrumentality heretofore or hereafter created, designated or established by or for it, and the clearance, development or redevelopment, improvement, use or disposition of the acquired lands and premises in accordance with the provisions and for the purposes stated in [this act] P.L.1960, c.183 (C.40:37A-44 et seq.), including the construction, reconstruction, demolition, rehabilitation, conversion, repair or alteration of improvements on or to said lands and premises, and structures and facilities incidental to the foregoing as may be necessary, convenient or desirable, (g) acquisition, construction, maintenance and operation of garbage and solid waste disposal systems for the purpose of collecting and disposing of garbage, solid waste or refuse matter, whether owned or operated by any person, the authority or any other governmental unit, within or without the county or any beneficiary county, (h) the improvement, furtherance and promotion of the tourist industries and recreational attractiveness of the county or any beneficiary county through the planning, acquisition, construction, improvement, maintenance and operation of facilities for the recreation and entertainment of the public, which facilities may include, without being limited to, a center for the performing and visual arts, (i) provision of loans and other financial assistance and technical assistance for the construction, reconstruction, demolition, rehabilitation, conversion, repair or alteration of buildings or facilities designed to provide decent, safe and sanitary dwelling units for persons of low and moderate income in need of housing, including the acquisition of land, equipment or other real or personal properties which the authority determines to be necessary, convenient or desirable
appurtenances, all in accordance with the provisions of [this act] P.L.1960, c.183 (C.40:37A-44 et seq.), as amended and supplemented, (j) planning, initiating and carrying out redevelopment projects for the elimination, and for the prevention of the development or spread of blighted, deteriorated or deteriorating areas and the disposition, for uses in accordance with the objectives of the redevelopment project, of any property or part thereof acquired in the area of such project, (k) acquisition, construction, operation, and maintenance of stormwater management systems, (l) any combination or combinations of the foregoing or following, and [(l)] (m) subject to the prior approval of the Local Finance Board, the planning, design, acquisition, construction, improvement, renovation, installation, maintenance and operation of facilities or any other type of real or personal property within the county for a corporation or other person organized for any one or more of the purposes described in subsection a. of N.J.S.15A:2-1 except those facilities or any other type of real or personal property which can be financed pursuant to the provisions of P.L.1972, c.29 (C.26:21-1 et seq.) as amended. A county improvement authority shall also have as its purpose the pooling of loans for any local governmental units within the county or any beneficiary county that are refunding bonds in order to achieve more favorable interest rates and terms for those local governmental units. (cf: P.L.2002, c.42, s.8)

23. Section 14 of P.L.1960, c.183 (C.40:37A-57) is amended to read as follows:

14. Every authority is hereby authorized to charge and collect tolls, rents, rates, fares, fees or other charges ([in this act] sometimes referred to as "facility charges") in connection with, or for the use or services of, or otherwise relating to, any public facility or other property owned, leased or controlled by the authority. If the public facility is a system of solid waste disposal, including, but not limited to, a resource recovery facility, recycling plant or transfer station owned, leased or controlled by the authority, the authority may charge and collect in connection with that system from any governmental unit included within the jurisdiction of the authority or which contracts for service with that authority or from any owner or occupant of any real property situated in a constituent municipality or in a municipality which contracts for service with that authority. [Such] If the public facility or other property is part of a stormwater management system, the authority may charge and collect fees in connection with that system from any owner or occupant, or both, of any real property situated in a constituent municipality or in a municipality which contracts for service with that authority, including property owned by any governmental unit, calculated in a manner consistent
with the guidance provided in the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to section 24 of P.L. , c. (C. ) (pending before the Legislature as this bill). The facility charges may be charged to and collected from any governmental unit or person and the governmental unit or person shall be liable for and shall pay the facility charges to the authority at the time when and place where the facility charges are due and payable.

(cf: P.L.1988, c.140, s.1)

24. (New section) a. The Department of Environmental Protection shall create a stormwater utility guidance manual. The stormwater utility guidance manual shall provide guidance to a municipality, county, or authority seeking to establish, provide, and maintain a stormwater management system pursuant to any relevant authorizing law regarding rate structure and stormwater management system implementation. The rate structure guidance provided in the stormwater utility guidance manual shall provide the means and methods of computing rates for stormwater utility charges and shall be directly related to the specific costs of the stormwater management system. Adoption of the stormwater utility guidance manual, or any revisions thereto, shall not be subject to the notice and publication requirements of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

b. Five percent of the annual fees collected by stormwater utilities as stormwater utility charges shall be transferred to the department to fund program planning, implementation, and coordination activities related to stormwater utilities and stormwater management systems.

c. The Department of Environmental Protection shall adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), any rules and regulations necessary to implement P.L. , c. (C. ) (pending before the Legislature as this bill).

25. (New section) a. The governing body of any municipality may by ordinance establish, provide, and maintain a stormwater utility for the purpose of creating a stormwater management system to manage the stormwater runoff of the municipality.

b. Every municipality that creates and operates a municipal stormwater utility is hereby authorized to charge and collect rents, rates, fees, or other charges for direct or indirect use or services of the stormwater management system. The stormwater service charges may be charged to and collected from the owner or occupant, or both, of any real property. The owner of any real property shall be liable for and shall pay these charges to the municipal stormwater utility at the time when and place where such
stormwater service charges are due and payable. The rents, rates, fees, and charges shall be determined in a manner consistent with the guidance provided in the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to section 24 of P.L. , c. (C. ) (pending before the Legislature as this bill). Any rent, rate, fee, or charge assessed pursuant to this subsection shall be calculated in a manner consistent with the guidelines established in the stormwater utility guidance manual created pursuant to section 24 of P.L. , c. (C. ) (pending before the Legislature as this bill).

c. Funds received pursuant to the provisions of this section shall be deposited with the public funds of the municipality and shall be budgeted, expended, and accounted for in accordance with the provisions of the Local Budget Law (N.J.S.40A:4-1 et seq.).

d. The governing body of a municipality exercising the powers granted by this section is authorized to provide by resolution or ordinance, as the case may be, at one time, or from time to time, for the issuance of general obligation bonds of the municipality for the purpose of paying all or any part of the cost of a stormwater utility pursuant to this section. The bonds of each issue shall be issued pursuant to the provisions of the Local Bond Law (N.J.S.40A:2-1 et seq.).

e. As used in this section:

“Stormwater” means water resulting from precipitation that: (1) runs off of the land’s surface; (2) is transmitted to the subsurface; (3) is captured by separate storm sewers or other sewerage or drainage facilities; or (4) is conveyed by snow removal equipment; and

“Stormwater management system” means any equipment, plant, structures, machinery, apparatus, management practices, design practices, planning activities, or land, or any combination thereof, acquired, used, constructed, implemented, or operated to convey stormwater, control or reduce stormwater runoff and associated pollutants or flooding, induce or control the infiltration of groundwater recharge of stormwater, or eliminate illicit or illegal nonstormwater discharges into stormwater conveyances.

shall maintain separate budgets, keep separate books and records, and incur separate costs for each such system.

b. As used in this section:

“Stormwater” means water resulting from precipitation that: (1) runs off of the land’s surface; (2) is transmitted to the subsurface; (3) is captured by separate storm sewers or other sewerage or drainage facilities; or (4) is conveyed by snow removal equipment.

“Stormwater management system” means any equipment, plant, structures, machinery, apparatus, management practices, design practices, planning activities, or land, or any combination thereof, acquired, used, constructed, implemented, or operated to convey stormwater, control or reduce stormwater runoff and associated pollutants or flooding, induce or control the infiltration of groundwater recharge of stormwater, or eliminate illicit or illegal nonstormwater discharges into stormwater conveyances.

27. (New section) a. Whenever a stormwater management system is constructed by any person in accordance with standards established therefor by a municipality, county, authority, utility, utilities authority, or other entity authorized to manage a stormwater management system pursuant to the "sewerage authorities law,” P.L.1946, c.138 (C.40:14A-1 et seq.), the "municipal and county utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.), the "county improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et seq.), the "Municipal and County Sewerage Act,” P.L.1991, c.53 (C.40A:26A-1 et seq.), the "Municipal and County Flood Control Financing Act,” P.L.1987, c.179 (C.40A:27-1 et seq.), or P.L. , c. (C. ) (pending before the Legislature as this bill), the municipality, county, authority, utility, utilities authority, or other entity may accept the dedication of, and assume maintenance responsibilities for, the stormwater management system in accordance with the same procedures established and used for sewer or water facilities.

b. As used in this section:

“Stormwater” means water resulting from precipitation that: (1) runs off of the land’s surface; (2) is transmitted to the subsurface; (3) is captured by separate storm sewers or other sewerage or drainage facilities; or (4) is conveyed by snow removal equipment.

“Stormwater management system” means any equipment, plant, structures, machinery, apparatus, management practices, design practices, planning activities, or land, or any combination thereof, acquired, used, constructed, implemented, or operated to convey stormwater, control or reduce stormwater runoff and associated pollutants or flooding, induce or control the infiltration of groundwater recharge of stormwater, or eliminate illicit or illegal nonstormwater discharges into stormwater conveyances.
28. N.J.S.40A:2-2 is amended to read as follows:

40A:2-2. The following words as used in this chapter shall have the following meanings, unless the context clearly indicates a different meaning:

["bond"] **“Bond ordinance”** means an ordinance adopted as herein provided by the governing body of a local unit authorizing obligations;

[="equalized"] **“Equalized valuation basis”** of a local unit means the average for the last [3] three preceding years, of the sum total of

[a.] (1) the aggregate equalized valuation of real property together with improvements, as certified in the Table of Equalized Valuations by the Director of the Division of Taxation in the Department of the Treasury, on October 1 of each year, pursuant to chapter 86 of the laws of 1954, and

[b.] (2) the assessed valuation of Class II railroad property as set forth in the table of equalized valuations referred to in ["a"] (1) above.

["governing"] **“Governing body”** means the board of chosen freeholders of a county, or the commission, council, board or body having control of the finances of a municipality;

[="local"] **“local improvement”** means an improvement or property, part or all of the cost of which has been, or is to be specially assessed on property;

[="obligations"] **“Obligations”** means bonds or notes of a local unit;

[="refunding"] **“Refunding bond ordinance”** means an ordinance adopted by the governing body of the local unit authorizing refunding bonds;

“Stormwater” means water resulting from precipitation that: (1) runs off of the land’s surface; (2) is transmitted to the subsurface; (3) is captured by separate storm sewers or other sewerage or drainage facilities; or (4) is conveyed by snow removal equipment; and

“Stormwater management system” means any equipment, plant, structures, machinery, apparatus, management practices, design practices, planning activities, or land, or any combination thereof, acquired, used, constructed, implemented, or operated to convey stormwater, control or reduce stormwater runoff and associated pollutants or flooding, induce or control the infiltration of groundwater recharge of stormwater, or eliminate illicit or illegal nonstormwater discharges into stormwater conveyances.

(cf: P.L.1964, c.72, s.1)

29. N.J.S.40A:2-15 is amended to read as follows:

40A:2-15. Any bond ordinance to finance any cost or expense of a municipal public utility, or any ordinance amendatory thereof or
supplemental thereto adopted prior to the issuance of obligations, may contain the following covenants with the holders of such obligations which shall be observed and performed by the local unit, notwithstanding the provisions of this or any other law:

a. As to the use and disposition of revenues derived or to be derived from the operation of the whole or any part of any municipal public utility, including any improvements thereto or extensions thereof thereafter constructed or acquired, whether said obligations are authorized to finance construction, improvement, enlargement, reconstruction, extension or acquisition of such or any other municipal public utility;

b. Pledging to the punctual payment of the principal of and interest on such obligations, all or any part of such revenues;

c. As to the setting aside out of such revenues of one or more reserve funds, and the regulation and disposition thereof;

d. As to the fixing and collection of such rates, rentals and other charges for connection with or the use of any such municipal public utility, including any improvements thereto or extensions thereof thereafter constructed or acquired as will annually produce revenues sufficient to provide for all or any lesser part described in said ordinance of the following:

1. (1) expenses of operation, maintenance and repair of such utility and any other such utilities,

2. (2) payment of the principal of and interest on said obligations,

3. (3) such reserve funds as may have been provided for in said ordinance,

4. (4) payment of any mortgage or mortgages subject to which such utility or any other such utilities, or any part thereof may have been acquired, and

5. (5) payment of any obligations having a lien on the revenues of such utility or any other such utilities, or any part thereof prior to or on a parity with the lien of such obligations;

e. As to the procedure, if any, by which the terms of any covenant with the holders of such obligations may be amended or abrogated, the amount of obligations the holders of which must consent thereto and the manner in which such consent may be given.

Such obligations may contain such recitals of or reference to any such covenants as any resolution determining their form may provide.

f. Notwithstanding any provisions of this section to the contrary, any rates, rentals, or other charges that are levied to finance a stormwater management system shall be determined in a manner consistent with the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to
section 24 of P.L. c. (C. ) (pending before the Legislature
as this bill).

(cf: P.L.1960, c.169, s.1)

30. N.J.S.40A:26A-2 is amended to read as follows:

40A:26A-2. The Legislature finds and declares it to be in the
public interest and to be the policy of this State to foster and
promote the public health, safety, and welfare by providing for the
collection and treatment of sewerage and the management of
stormwater through adequate sewerage facilities and stormwater
management systems. It is the purpose of this act to implement this
policy by authorizing municipalities and counties either separately
or in combination with other municipalities and counties to finance,
acquire, construct, maintain, operate or improve works for the
management of stormwater and the collection, treatment, transport
and disposal of sewage and to provide for the financing of these
facilities.

It is further declared that the acquisition, construction, operation,
and maintenance of stormwater management systems are essential
to the goals of protecting and improving the State's water quality,
and are necessary to prevent and abate nonpoint sources of
pollution, minimize stormwater runoff, control flooding, and
enhance groundwater recharge.

(cf: P.L.1991, c.53, s.1)

31. N.J.S.40A:26A-3 is amended to read as follows:

40A:26A-3. As used in this act N.J.S.40A:26A-1 et seq.: "Bonds" means bond anticipation notes or bonds issued in
accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq.
"Cost" as applied to sewerage facilities or extensions or additions
thereto, means the cost of acquisition or the construction including
improvement, reconstruction, extension or enlargement, the cost of
all lands, property, rights and easements acquired. The cost of
demolition or removal of any buildings or structures thereon,
financing charges, interest on bonds issued to finance sewerage
facilities prior to and during construction, the cost of plans and
specifications, surveys or estimates of costs and revenues, the cost
of engineering, legal services, and any other expenses necessary or
incident to determining the feasibility of construction,
administrative and other expenses as may be necessary or incident
to the construction or acquisition of sewerage facilities and the
financing thereof.

"Local unit" means a county or municipality.
"Sewerage facilities" means the plants, structures or other real
and personal property acquired, constructed or operated, or to be
financed, acquired, constructed or operated, or any parts thereof,
used for the storage, collection, reduction, reclamation, disposal,
separation or other treatment of wastewater [or sewage sludge].
or stormwater, or for the final disposal of residues resulting from
the treatment of wastewater or stormwater, including but not limited
to, pumping and ventilating stations, treatment plants and works,
connections, outfall servers, interceptors, trunk lines, drainage
systems, catch basins, detention ponds, and other appurtenances
necessary for their use or operation.

“Sewerage services” means any service rendered by or through a
sewerage facility including a stormwater management system.

“Stormwater” means water resulting from precipitation that: (1)
runs off of the land’s surface; (2) is transmitted to the subsurface;
(3) is captured by separate storm sewers or other sewerage or
drainage facilities; or (4) is conveyed by snow removal equipment;
and

“Stormwater management system” means any equipment, plant,
structures, machinery, apparatus, management practices, design
practices, planning activities, or land, or any combination thereof,
acquired, used, constructed, implemented, or operated to convey
stormwater, control or reduce stormwater runoff and associated
pollutants or flooding, induce or control the infiltration of
groundwater recharge of stormwater, or eliminate illicit or illegal
nonstormwater discharges into stormwater conveyances.

(cf: P.L.1991, c.53, s.1)

32. N.J.S.40A:26A-5 is amended to read as follows:

40A:26A-5. One or more local units adopting an ordinance or
resolution in accordance with N.J.S.40A:26A-4 are authorized and
empowered:

a. To acquire, construct, improve, extend, enlarge or
reconstruct and finance sewerage facilities, and to operate, manage
and control all or part of these facilities and all properties relating
thereto;
b. To issue bonds of the local unit or units to pay all or part of
the cost of the purchase, construction, improvement, extension,
enlargement or reconstruction of sewerage facilities;
c. To receive and accept from the federal or State government,
or any agency or instrumentality thereof, grants or loans for, or in
aid of, the planning, purchase, construction, improvement,
extension, enlargement or reconstruction, or financing of sewerage
facilities, and to receive and accept from any source, contributions
or money, property, labor or other things of value to be held, used
and applied only for the purposes for which the grants or loans and
contributions are made;
d. To acquire in the name of the local unit or units by gift,
purchase, or by the exercise of the right of eminent domain, lands
and rights and interests therein, including lands under water and
riparian rights, and personal property as may be deemed necessary
for acquisition, construction, improvement, extension, enlargement
or reconstruction, or for the efficient operation of any facilities
acquired or constructed under the provisions of N.J.S.40A:26A-1 et seq. and to hold and dispose of all real and personal property so acquired;

e. To make and enter into all contracts and agreements necessary or incidental to the performance of the local unit's or units' duties and the execution of powers authorized under N.J.S.40A:26A-1 et seq., and to employ engineers, superintendents, managers, attorneys, financial or other consultants or experts, and other employees and agents as may be deemed necessary, and to fix their compensation;

f. Subject to the provisions and restrictions set forth in the ordinance or resolution authorizing or securing any bonds issued under the provisions of N.J.S.40A:26A-1 et seq., to enter into contracts with the federal or State Government, or any agency or instrumentality thereof, or with any other local unit, private corporation, copartnership, association or individual providing for, or relating to, sewerage services which contracts may provide for the furnishing of sewerage facility services either by or to the local unit or units, or the joint construction or operation of sewerage facilities;

g. To fix and collect rates, fees, rents and other charges in accordance with N.J.S.40A:26A-1 et seq.;

h. To prevent toxic pollutants from entering the sewerage system, and to control nonstormwater discharges into stormwater management systems;

i. To prevent from directly or indirectly entering the sewerage system any matter or thing which is or may be injurious or deleterious to the sewerage system or to its efficient operation;

j. Upon the request of a customer: (1) to offer the customer the ability to receive or access, in electronic format, any periodic bill for service sent by the local unit or units to its customers and any additional information sent by the local unit or units to its customers as required by law, provided that any notice of disconnection, discontinuance or termination of sewerage service shall be sent to a customer in written form at the customer's legal mailing address in addition to being sent or being made available in electronic format; and (2) to provide the customer the option of paying any such periodic bill via electronic means; and

k. To exercise any other powers necessary or incidental to the effectuation of the general purpose of N.J.S.40A:26A-1 et seq.

(cf: P.L.2010, c.91, s.6)

33. N.J.S.40A:26A-10 is amended to read as follows:

40A:26A-10. After the commencement of operation of sewerage facilities, the local unit or units may prescribe and, from time to time, alter rates or rentals to be charged to users of sewerage services. Rates or rentals being in the nature of use or service charges or annual rental charges, shall be uniform and equitable for
the same types and classes of use and service of the facilities, except as permitted by section 5 of P.L.1994, c.78 (C.40A:26A-10.1). Rates or rentals and types and classes of use and service may be based on any factors which the governing body or bodies of that local unit or units shall deem proper and equitable within the region served. Any rate or rental charge associated with a stormwater management system shall be calculated in a manner consistent with the guidance provided by the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to section 24 of P.L. , c. (C.) (pending before the Legislature as this bill).

In fixing rates, rental and other charges for supplying sewerage services, the local unit or units shall establish a rate structure that allows, within the limits of any lawful covenants made with bondholders, the local unit to:

a. Recover all costs of acquisition, construction or operation, including the costs of raw materials, administration, real or personal property, maintenance, taxes, debt service charges, fees and an amount equal to any operating budget deficit occurring in the immediately preceding fiscal year;

b. Establish a surplus in an amount sufficient to provide for the reasonable anticipation of any contingency that may affect the operating of the sewerage facility, and, at the discretion of the local unit or units, allow for the transfer of moneys from the budget for the sewerage facilities to the local budget in accordance with section 5 of P.L.1983, c.111 (C.40A:4-35.1).

(cf: P.L.1994, c.78, s.6.)

34. N.J.S.40A:27-3 is amended to read as follows:

40A:27-3. As used in [this act] N.J.S.40A:27-1 et seq.:

"Contracting local unit” means a local unit which enters into a contract with another local unit for the construction, maintenance, improvement, acquisition or financing of a flood control facility for its own use;

"Contractor" means a local unit, which enters into a contract with a contracting local unit to construct, maintain, improve, acquire or finance flood control facilities for the contracting local unit;

"Cost” as applied to flood control facilities or extensions or additions thereto, means the cost of construction, reconstruction or maintenance, improvement, the cost of all labor, materials, machinery and equipment, the costs of all lands, property, rights and easements acquired, financing charges, interest on bonds issued to finance a facility prior to, during and after acquisition or construction, the cost of plans and specifications, surveys or estimates of costs and of revenues, the cost of engineering and legal services, and all other expenses necessary or incident to determining the feasibility or practicability of the construction, reconstruction, improvement, or maintenance of a facility,
administrative expenses and such other expenses as may be necessary or incident to the construction, maintenance or acquisition of a facility, and the financing herein authorized. Any obligation or expense incurred by a local unit in connection with any of the foregoing items of cost prior to the issuance of bonds or notes as authorized herein may be reimbursed to the local unit out of the proceeds of bonds issued under the provisions of this chapter;

"Department" means the Department of Environmental Protection;

"Flood control facilities" means the dams, drainage ways, structures and other real and personal property acquired, constructed, operated, financed, maintained or improved or to be acquired, constructed, operated, financed, maintained or improved by a local unit for the purposes of flood control or stormwater management, including storage reservoirs, dikes, diversions, dams, spillways, levees, revetments, drains, ditches or channel improvements, such as widening, deepening, straightening, clearing, desnagging, sloping, building and filling in, and other plants, structures, boats, conveyances and other real or personal property and rights therein, and appurtenances necessary for the control of flooding, the preservation of stream flow and the management of surface water and stormwater, including any storm sewers, storm drains, drainage facilities, and detention basins, and the dredging or desnagging of any drainage ways;

"General obligation bonds" means general obligations of the local unit which are payable from unlimited ad valorem taxes additionally secured by a pledge of the revenues derived from the assessment of such local improvement charges as may be assessed;

"Local unit" means a county or municipality;

"Parties to the contract" means a contractor and a contracting local unit which have contracted for the construction, maintenance, improvement or acquisition of flood control facilities;

“Stormwater” means water resulting from precipitation that: (1) runs off of the land’s surface; (2) is transmitted to the subsurface; (3) is captured by separate storm sewers or other sewerage or drainage facilities; or (4) is conveyed by snow removal equipment; and

“Stormwater management system” means any equipment, plant, structures, machinery, apparatus, management practices, design practices, planning activities, or land, or any combination thereof, acquired, used, constructed, implemented, or operated to convey stormwater, control or reduce stormwater runoff and associated pollutants or flooding, induce or control the infiltration of groundwater recharge of stormwater, or eliminate illicit or illegal nonstormwater discharges into stormwater conveyances.

(cf: P.L.1987, c.179, s.1)
35. N.J.S.40A:27-10 is amended to read as follows:

40A:27-10. If the governing body of a local unit determines that public necessity and interest require the cost of construction of a flood control facility to be financed by local improvement assessments, it shall pass a resolution or ordinance, as the case may be, of its intention to undertake and so finance the facility and shall give notice of this intention by advertising in one or more newspapers of general circulation in the county or municipality and by notifying each concerned property owner by certified mail; and this notice shall fix a time and place, not less than two weeks after the date of the notice, for a public hearing on the proposed action. At the public hearing the governing body of a local unit shall present a preliminary assessment of the affected properties. If the purpose of a flood control facility is to serve and operate as a stormwater management system, that facility may instead be financed through a fee to be determined in a manner consistent with the stormwater utility guidance manual created by the Department of Environmental Protection pursuant to section 24 of P.L. ___, c. (C. ___) (pending before the Legislature as this bill).

(cf: P.L.1987, c.179, s.1)

36. This act shall take effect on the 180th day after the date of enactment, but the Department of Environmental Protection may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

STATEMENT

This bill would permit municipalities, counties, and certain authorities to establish and operate stormwater utilities. New Jersey faces an extensive set of problems due to inadequate stormwater infrastructure and management. When storms occur, rainwater runs off of impervious surfaces like roads, roofs, and parking lots into stormwater sewer systems and ditches or into waterways. This stormwater runoff carries with it debris, bacteria, and chemicals such as pesticides, fertilizers, and gasoline, which pollutes water bodies and drinking water sources. Additionally, when there is no open space or stormwater management infrastructure to help absorb and capture water, runoff in large volumes and force can result in major flooding and property damage. New Jersey, in particular, is prone to pollution and flooding problems, with over 10 percent of its land area covered in impervious surfaces. These problems affect the health, safety, economic well-being, and quality of life of the State’s residents.

Unlike drinking water supply and wastewater systems, New Jersey’s stormwater infrastructure lacks a dedicated source of funding, and receives few upgrades and little maintenance once
built. Often times, stormwater systems go unmonitored and unattended until they break down. In some cases, the infrastructure is inadequate to manage stormwater, especially as increased development and large storm events generate more runoff. The United States Environmental Protection Agency has ranked stormwater management as New Jersey’s most expensive water-related funding need, requiring $15.6 billion. While the New Jersey Department of Environmental Protection (DEP) has adopted regulations requiring municipalities to manage stormwater, many municipalities do not have the resources to do so. There is currently no explicit authority in State law for municipalities or counties to create stormwater utilities.

This bill would authorize municipalities, counties, and certain local authorities to create and operate stormwater utilities. The bill would permit municipalities and counties to finance the creation, operation, and maintenance of stormwater utilities through the imposition of user fees and the issuance of bonds. Among other statutory changes, the bill would amend the "sewerage authorities law," the "municipal and county utilities authorities law," the "county improvement authorities law," the "Municipal and County Sewerage Act," and the "Municipal and County Flood Control Financing Act" to permit municipalities, counties, and combinations of municipalities and counties to manage stormwater through utilities.

The bill would also require the DEP to create a stormwater utility guidance manual to provide guidance to municipalities, counties, and authorities seeking to establish stormwater utilities. The guidance manual would provide local units with rate structure guidance, including the means and method of computing rates for stormwater utility charges. Such charges would be directly related to the specific costs of the stormwater utility. Under the bill, the DEP would receive five percent of the annual fees collected by stormwater utilities as stormwater utility charges to fund program planning, implementation, and coordination activities related to stormwater utilities.

Finally, the bill would authorize municipalities, counties, and authorities to contract with private firms for the operation or improvement of stormwater utilities.