

[Second Reprint]

SENATE, No. 2066

STATE OF NEW JERSEY
218th LEGISLATURE

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Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Requires 30-day grace period prior to accrual of interest on certain late water and sewer bill payments.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on February 7, 2019, with amendments.



1 AN ACT concerning interest deferral on ²certain² late water and
 2 sewer bill payments ²**[**, supplementing Title 48 of the Revised
 3 Statutes,**]² and amending various parts of the statutory law.**

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

7
 8 ²**[**1. (New section) In the event that a payment owed to a
 9 water company for the sale and supply of water to a consumer is not
 10 paid when due, interest shall accrue, for which the consumer shall
 11 be liable, on any part of the amount that is due and payable and that
 12 remains unpaid for 30 days following the established payment due
 13 date, as identified on the consumer’s bill or other statement of water
 14 usage.

15 For the purposes of this section, “water company” shall mean a
 16 public utility, as that term is defined by R.S.48:2-13, or a
 17 municipally-operated utility, which is regulated by the Board of
 18 Public Utilities, and which public utility or municipally-operated
 19 utility is engaged in the sale and supply of water to consumers in
 20 the State; or a nonpublicly-owned, nonprofit water company.**]²**

21
 22 ²**[**2. R.S.48:13-14 is amended to read as follows:

23 ¹**[**R.S.48:13-14**]** 48:13-14¹. **[**Such**]** Every sewerage company
 24 organized under the laws of this State may contract with property
 25 owners and others for the use of its system of sewerage for such
 26 price or rents and such restrictions as the company may think proper
 27 in accordance with approved tariffs filed with the Board of Public
 28 Utility Commissioners. In the event that a payment owed by a
 29 consumer to a sewerage company for the use of sewer services is
 30 not paid when due, interest shall accrue, for which the consumer
 31 shall be liable, on any part of the amount that is due and payable
 32 and that remains unpaid for 30 days following the established
 33 payment due date, as identified on the consumer’s bill or other
 34 statement of sewer service usage.

35 (cf: P.L.1962, c.198, s.163)**]²**

36
 37 ²**[**3.**]** ¹2 Section 21 of P.L.1946, c.138 (C.40:14A-21) is
 38 amended to read as follows:

39 21. (a) In the event that a service charge of any sewerage
 40 authority ², other than an authority while operating under the
 41 regulatory authority of the Board of Public Utilities,² with regard to
 42 any parcel of real property **[**shall**]** is not **[**be**]** paid **[**as and**]** when
 43 due, and remains unpaid for 30 days following the established
 44 payment due date, as identified on the consumer’s bill or other
 45 statement of sewer service usage, interest shall accrue and be due to

EXPLANATION – Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEG committee amendments adopted December 6, 2018.

²Senate SBA committee amendments adopted February 7, 2019.

1 the sewerage authority on the unpaid balance at the rate of ²~~1 1/2~~
2 % one and one-half percent² per month until such service charge,
3 and the interest thereon, shall be fully paid to the sewerage
4 authority.

5 (b) In the event that a service charge of any sewerage authority
6 with regard to any parcel of real property owned by any person
7 other than the State or an agency or subdivision thereof shall not be
8 paid as and when due, the unpaid balance thereof and all interest
9 accruing thereon shall be a lien on such parcel. Such lien shall be
10 superior and paramount to the interest in such parcel of any owner,
11 lessee, tenant, mortgagee or other person except the lien of
12 municipal taxes and shall be on a parity with and deemed equal to
13 the lien on such parcel of the municipality where such parcel is
14 situate for taxes thereon due in the same year and not paid when
15 due. Such lien shall not bind or affect a subsequent bona fide
16 purchaser of such parcel for a valuable consideration without actual
17 notice of such lien, unless the sewerage authority shall have filed in
18 the office of the collector or other officer of said municipality
19 charged with the duty of enforcing municipal liens on real property
20 a statement showing the amount and due date of such unpaid
21 balance and identifying such parcel, which identification may be
22 sufficiently made by reference to the assessment map of said
23 municipality. The information shown in such statement shall be
24 included in any certificate with respect to said parcel thereafter
25 made by the official of said municipality vested with the power to
26 make official certificates of searches for municipal liens. Whenever
27 such service charge and any subsequent service charge with regard
28 to such parcel and all interest accrued thereon shall have been fully
29 paid to the sewerage authority, such statement shall be promptly
30 withdrawn or cancelled by the sewerage authority.

31 (c) In the event that a service charge of any sewerage authority
32 with regard to any parcel of real property shall not be paid as and
33 when due, the sewerage authority may, in its discretion, enter upon
34 such parcel and cause the connection thereof leading directly or
35 indirectly to the sewerage system to be cut and shut off until such
36 service charge and any subsequent service charge with regard to
37 such parcel and all interest accrued thereon shall be fully paid to the
38 sewerage authority.

39 (d) In the event that a service charge of any sewerage authority
40 with regard to any parcel of real property shall not be paid as and
41 when due, the sewerage authority may, in accordance with section
42 twenty-six of this act, cause the supply of water to such parcel to be
43 stopped or restricted until such service charge and any subsequent
44 service charge with regard to such parcel and all interest accrued
45 thereon shall be fully paid to the sewerage authority. If for any
46 **[any]** reason such supply of water shall not be promptly stopped or
47 restricted as required by section twenty-six of this act, the sewerage
48 authority may itself shut off or restrict such supply and, for that

1 purpose, may enter on any lands, waters or premises of any county,
2 municipality or other person. The supply of water to such parcel
3 shall, notwithstanding the provisions of this subsection, be restored
4 or increased if the State Department of Health, upon application of
5 the local board of health or health officer of the municipality where
6 such parcel is situate, shall after public hearing find and shall
7 certify to the sewerage authority that the continuance of such
8 stopping or restriction of the supply of water endangers the health
9 of the public in such municipality.

10 (e) The collector or other officer of every municipality charged
11 by law with the duty of enforcing municipal liens on real property
12 shall enforce, with and as any other municipal lien on real property
13 in such municipality, all service charges and the lien thereof shown
14 in any statement filed with him by any sewerage authority pursuant
15 to subsection (b) of this section, and shall pay over to the sewerage
16 authority the sums or a pro rata share of the sums realized upon
17 such enforcement or upon liquidation of any property acquired by
18 the municipality by virtue of such enforcement.

19 (f) In the event that any service charge of a sewerage authority
20 shall not be paid as and when due, the unpaid balance thereof and
21 all interest accrued thereon, together with attorney's fees and costs,
22 may be recovered by the sewerage authority in a civil action, and
23 any lien on real property for such service charge and interest
24 accrued thereon may be foreclosed or otherwise enforced by the
25 sewerage authority by action or suit in equity as for the foreclosure
26 of a mortgage on such real property.

27 (g) All rights and remedies granted by this act for the collection
28 and enforcement of service charges shall be cumulative and
29 concurrent.

30 (cf: P.L.1981, c.530, s.1)

31

32 ²[4.] 2.² Section 41 of P.L.1957, c.183 (C.40:14B-41) is
33 amended to read as follows:

34 41. In the event that a service charge of any municipal authority
35 with regard to any parcel of real property shall not be paid as and
36 when due, interest shall accrue and be due to the municipal
37 authority on the unpaid balance at the rate of ²[1 1/2%] one and
38 one-half percent² per month until such service charge, and the
39 interest thereon, shall be fully paid to the municipal authority. In
40 the event that a payment owed to a municipal authority ², other than
41 an authority while operating under the regulatory authority of the
42 Board of Public Utilities,² for the sale and supply of water to a
43 parcel of real property, or for the use of a sewerage system, is not
44 paid when due, interest shall accrue, for which the consumer shall
45 be liable, on any part of the amount that is due and payable and that
46 remains unpaid for 30 days following the established payment due

1 date, as identified on the consumer's bill or other statement of water
2 or sewage service usage.

3 (cf: P.L.1981, c.530, s.2)

4

5 ²**[5.] 3.**² R.S.40:62-83.1 is amended to read as follows:

6 40:62-83.1. Any municipality which, pursuant to law, furnishes
7 a supply of water and sewerage service to the inhabitants of another
8 municipality, may, if prompt payment of any water or sewer rent, or
9 charges for work done or materials furnished for such services, is
10 not made by any such inhabitant when due, discontinue the service
11 so furnished to any such inhabitant in arrears until such arrears with
12 interest and penalties shall be fully paid. In the event that a
13 payment owed for water or sewer rent is not paid when due, interest
14 shall accrue, for which the consumer ², other than a consumer
15 whose receipt of water or sewer service is subject to regulation by
16 the Board of Public Utilities,² shall be liable, on any part of the
17 amount that is due and payable and that remains unpaid for 30 days
18 following the established payment due date, as identified on the
19 consumer's bill or other statement of water or sewer service usage.

20 (cf: P.L.1952, c.324, s.1)

21

22 ²**[6.] 4.**² R.S.40:62-107 is amended to read as follows:

23 40:62-107. The governing body of any municipality owning its
24 water and sewer systems and operating the same as one utility may
25 fix a combination water and sewer rental, and in case prompt
26 payment of **[said]** the combined rent is not made according to the
27 regulations adopted by **[said]** the governing body cause **[said]** the
28 water to be shut off from such houses, tenements, buildings or other
29 premises so supplied and not to **[turn the same]** be turned on again
30 until all arrears, with interest and penalties, shall be fully paid.
31 Interest charges, for which a consumer ², other than a consumer
32 whose receipt of water or sewer service is subject to regulation by
33 the Board of Public Utilities,² shall be liable under this section,
34 shall accrue on any part of the amount that is due and payable for
35 combined water and sewer rental services and that remains unpaid
36 for 30 days following the established payment due date, as
37 identified on the consumer's bill or other statement of combined
38 water and sewer service usage.

39 (cf: R.S.40:62-107)

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41 ²**[7.] 5.**² R.S.40:62-107.6 is amended to read as follows:

42 40:62-107.6. a. After any municipality shall have purchased a
43 water distribution system pursuant to sections 40:62-107.4 and
44 40:62-107.5 of this title, the governing body of the municipality
45 shall be authorized to operate the water distribution system as
46 nearly as may be as a part of its own system, and any schedule of
47 rates, rents, charges and penalties which the governing body shall

1 thereafter fix shall be applicable to water users within both
 2 municipalities, and in the collection of all rates, rents, charges and
 3 penalties the municipality shall have all the rights and remedies that
 4 may apply to private water companies supplying water to
 5 municipalities of this State.

6 b. The governing body of a municipality that has purchased a
 7 water distribution system shall establish a rate structure that
 8 provides for uniform rates, rentals, or other service charges for
 9 water supply service and fire protection systems.

10 The governing body shall not impose standby fees or charges for
 11 any fire protection system to a residential customer served by a
 12 water service line of two inches or less in diameter.

13 Nothing in this section shall preclude the governing body of a
 14 municipality that has purchased a water distribution system from
 15 requiring separate dedicated service lines for fire protection. The
 16 governing body of a municipality that has purchased a water
 17 distribution system may require that fire service lines be metered.
 18 Nothing in this section shall alter the liability for maintenance and
 19 repair of service lines which exists on the effective date of
 20 P.L.2003, c.278.

21 c. In the event that a payment owed to a municipality for the
 22 sale and supply of water to a consumer in the same ²[or an
 23 adjoining]² municipality is not paid when due, interest shall accrue,
 24 for which the consumer shall be liable, on any part of the amount
 25 that is due and payable and that remains unpaid for 30 days
 26 following the established payment due date, as identified on the
 27 consumer's bill or other statement of water usage.

28 (cf: P.L.2003, c.278, s.3)

29
 30 ²[8.] 6.² R.S.40:62-141 is amended to read as follows:

31 40:62-141. The owner of any house, tenement, building or lot
 32 shall be liable for the payment of the price or rent as fixed by the
 33 commission for the use of water by ²[such] the² owner or by the
 34 occupier, and for the installation, purchase price, repair and testing
 35 of any water meter or water meters, water service, water services,
 36 connections, appliances or parts, and renewals thereof furnished or
 37 made by the commission, in, upon or connecting with such house,
 38 tenement, building or lot, and the interest and penalties charged. In
 39 the event that a payment owed to the commission for the sale and
 40 supply of water to a house, tenement, building or lot is not paid
 41 when due, ²other than for the sale and supply of water to a house,
 42 tenement, building or lot where the sale and supply of water is
 43 subject to regulation by the Board of Public Utilities,² interest shall
 44 accrue, for which the owner shall be liable, on any part of the
 45 amount that is due and payable and that remains unpaid for 30 days
 46 following the established payment due date, as identified on the
 47 consumer's bill or other statement of water usage.

1 The price or rent so fixed, and the other costs, expenses, interest
2 and penalties shall be a lien upon such house, tenement, building or
3 lot until the same shall be paid and satisfied, and shall be
4 enforceable by an action at law in any competent court.

5 The commission shall notify the officers or board having charge
6 of the collection of taxes in each municipality in which the
7 commission shall supply water to any of the inhabitants of such
8 municipality, that the commission is supplying water to such
9 inhabitants, and requesting said officials or board to notify all
10 persons applying for a certificate showing municipal or other liens
11 against property in such municipality, that the applicant must apply
12 to the commission to ascertain the amount of water rents or other
13 charges due to the commission, which are by law made a lien upon
14 the premises covered by the certificate.

15 The commission may require payment in advance for the use or
16 rent of water furnished by it and for any work to be done or
17 materials to be furnished.

18 (cf: R.S.40:62-141)

19

20 ²[9.] 7.² R.S.40:62-142 is amended to read as follows:

21 40:62-142. In case prompt payment of any water rent or rents,
22 or for work done or materials furnished, is not made when due, the
23 water may be shut off from such real estate, and shall not be again
24 supplied thereto until the arrears with interest and penalties shall be
25 fully paid. Interest charges applicable to overdue water rent
26 payments shall be calculated in accordance with the provisions of
27 R.S.40:62-141.

28 (cf: R.S.40:62-142)

29

30 ²[10.] 8.² This act shall take effect on the 60th day following
31 the date of enactment.