

ASSEMBLY, No. 5043

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 19, 2020

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblywoman ANNETTE CHAPARRO

District 33 (Hudson)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Co-Sponsored by:

Assemblyman Verrelli and Assemblywoman Murphy

SYNOPSIS

Requires Local Finance Board to make certain findings prior to dissolution of municipal water authority.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/27/2021)

1 AN ACT concerning the dissolution of municipal water authorities
2 and supplementing P.L.1983, c.313 (C.40A:5A-1 et seq.).

3

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

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7 1. a. In addition to the provisions of section 20 of
8 P.L.1983, c.313 (C.40A:5A-20), the Local Finance Board shall not
9 approve an ordinance dissolving an authority that has been
10 established, pursuant to section 4 of P.L.1957, c.183 (C.40:14B-4),
11 for the purposes of constructing, operating, and maintaining a water
12 system, unless the board finds that:

13 (1) the municipality seeking dissolution has implemented an
14 asset management plan for its water system, and submitted a report
15 based on its asset management plan to the Department of
16 Environmental Protection and to the Division of Local Government
17 Services pursuant to subsections a. and b. of section 7 of
18 P.L.2017, c.133 (C.58:31-7);

19 (2) the municipality seeking dissolution has developed a plan to
20 dedicate funds on an annual basis to address and remediate the
21 highest priority projects for its water system identified in the asset
22 management plan, as required pursuant to subsection a. of section 7
23 of P.L.2017, c.133 (C.58:31-7); and

24 (3) all fund balances held by the authority shall be used by the
25 municipality only for the purposes of its water system, and shall not
26 be used for general municipal purposes.

27 b. In the case of an authority that was established by more than
28 one municipality, the board shall not approve the dissolution of the
29 authority unless the board finds that each municipality has met the
30 requirements of subsection a. of this section.

31 c. The Local Finance Board may require a municipality to
32 submit any information it deems appropriate for the board to make
33 its findings pursuant to subsection a. of this section.

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35 2. This act shall take effect immediately.

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STATEMENT

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40 This bill would require the Local Finance Board (board) to make
41 certain findings prior to approving the dissolution of a municipal
42 water authority.

43 Specifically, under the bill, the board would be prohibited from
44 approving an ordinance to dissolve a municipal water authority
45 unless the board finds that:

46 (1) the municipality seeking dissolution has implemented an
47 asset management plan for its water system and submitted a report
48 based on its asset management plan to the appropriate State

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1 agencies, as required pursuant to the State “Water Quality
2 Accountability Act” (WQAA), P.L.2017, c.133 (C.58:31-1 et seq.);

3 (2) the municipality seeking dissolution has developed a plan to
4 dedicate funds on an annual basis to address and remediate the
5 highest priority projects for its water system identified in the asset
6 management plan, as required by the WQAA; and

7 (3) all fund balances held by the authority will be used by the
8 municipality only for the purposes of its water system, and not for
9 general municipal purposes.

10 In the case of an authority that was established by more than one
11 municipality, the board would be prohibited from approving the
12 dissolution of the authority unless the board finds that each
13 municipality seeking dissolution has met the requirements of the
14 bill.

15 The requirements of this bill would be in addition to those
16 imposed pursuant to section 20 of the “Local Authorities Fiscal
17 Control Law,” P.L.1983, c.313 (C.40A:5A-20) concerning the
18 dissolution of authorities by local units.