

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 922

STATE OF NEW JERSEY

DATED: JANUARY 27, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 922.

This bill requires the Local Finance Board (board) to make certain findings prior to approving the dissolution of a municipal water authority.

Specifically, the bill prohibits the board from approving an ordinance to dissolve a municipal water authority unless the board finds that:

(1) the municipality seeking dissolution has implemented an asset management plan for its water system and submitted a report based on its asset management plan to the appropriate State agencies, as required pursuant to the State “Water Quality Accountability Act” (WQAA), P.L.2017, c.133 (C.58:31-1 et seq.);

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

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

In the case of an authority that was established by more than one municipality, the bill prohibits the board from approving the dissolution of the authority unless the board finds that each municipality seeking dissolution has met the requirements of the bill.

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