

# SENATE, No. 1239

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

**Sponsored by:**

**Senator RICHARD J. CODEY**

**District 27 (Essex and Morris)**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Assemblyman JOE DANIELSEN**

**District 17 (Middlesex and Somerset)**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**SYNOPSIS**

Authorizes imposition of fee for connection to municipal electric distribution system.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/20/2021)**

S1239 CODEY

2

1 AN ACT authorizing the imposition of a fee for connection to a  
2 municipal electric distribution system, supplementing chapter 62  
3 of Title 40 of the Revised Statutes, and amending R.S.40:62-14.

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

7  
8 1. (New section) In addition to rates, rents, or charges, the  
9 municipal governing body may impose a separate charge in the  
10 nature of a connection fee upon the owner or occupant of the  
11 property being connected to the municipal electric distribution  
12 system. The connection charges shall be uniform within each class  
13 of users and the amount thereof shall not exceed the actual cost of  
14 the physical connection plus an amount representing a fair payment  
15 towards the cost of the system and computed in the following  
16 manner:

17 a. The amount representing all debt service, including but not  
18 limited to sinking funds, reserve funds, the principal and interest on  
19 bonds, and the amount of any loans and interest thereon, paid by the  
20 municipality to defray the capital cost of developing the system as  
21 of the end of the immediately preceding budget year shall be added  
22 to all capital expenditures made by a municipality not funded by a  
23 bond ordinance or debt for the development of the system as of the  
24 end of the immediately preceding budget year;

25 b. Any gifts, contributions or subsidies to the municipality  
26 received from, and not reimbursed or reimbursable to, any federal,  
27 State, county or municipal government or agency or any private  
28 person, and that portion of amounts paid to the municipality by a  
29 public entity under a service agreement or service contract which is  
30 not repaid to the public entity by the municipality, shall then be  
31 subtracted;

32 c. The remainder shall be divided by the total number of  
33 service units served by the municipality at the end of the  
34 immediately preceding budget year, and the results shall then be  
35 apportioned to each new customer according to the number of  
36 service units attributed to that connector, to produce the connector's  
37 contribution to the cost of the system. In attributing service units to  
38 each connector, the estimated average daily electric usage for the  
39 connector shall be divided by the average daily electric usage for  
40 the average single family residence in the municipality to produce  
41 the number of service units to be attributed.

42 The connection fee shall be recomputed at the end of each  
43 budget year, after a public hearing is held. The revised connection  
44 fee may be imposed upon those who subsequently connect to the  
45 system in that budget year.

**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.

S1239 CODEY

1       The combination of the connection fee and the rates, rents, or  
2 charges for supplying electricity shall be such that the revenues  
3 derived shall be adequate to pay the expenses of operation and  
4 maintenance of the electric distribution system, including  
5 improvements, extensions, enlargements and replacements to the  
6 electric distribution system, reserves, insurance, principal and  
7 interest on any bonds, and to maintain reserves or sinking funds  
8 therefor as may be required under the bond covenants or any  
9 contracts, or as may be deemed necessary or desirable.

10

11       2. R.S.40:62-14 is amended to read as follows:

12       40:62-14. The rates, rents, connections fees, or charges shall  
13 remain, until paid, municipal liens against the property and  
14 premises where such light, heat or power is furnished, and shall  
15 draw interest at the rate of seven per cent per annum from and after  
16 the time when they shall become due, and shall, in addition to all  
17 other remedies, be collectible in the same manner as arrearages of  
18 taxes.

19 (cf: R.S.40:62-14)

20

21       3. This act shall take effect immediately.

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STATEMENT

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26       This bill authorizes municipalities to impose connection fees on  
27 properties being connected to a municipal electric distribution  
28 system.

29       Under current law, municipalities have the authority to impose  
30 connection fees to owners or occupants of properties for sewer  
31 connections and water service connections. This bill would extend  
32 that authority to charge fees for electric service connections as well.