# [Second Reprint]

## SENATE, No. 4081

# STATE OF NEW JERSEY

### 219th LEGISLATURE

INTRODUCED NOVEMBER 15, 2021

**Sponsored by:** 

Senator NILSA I. CRUZ-PEREZ
District 5 (Camden and Gloucester)
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)
Assemblywoman ANNETTE QUIJANO
District 20 (Union)
Assemblywoman VERLINA REYNOLDS-JACKSON
District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senator Greenstein and Assemblywoman Lopez

#### **SYNOPSIS**

Prohibits certain utility discontinuances; establishes Winter Termination Program; requires BPU to include sewer and water public utilities in Winter Termination Program.

#### **CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on December 16, 2021, with amendments.

(Sponsorship Updated As Of: 12/20/2021)

1 AN ACT concerning certain <sup>2</sup>[sewer and water]<sup>2</sup> utility service 2 protections and supplementing Title 40A of the New Jersey 3 Statutes and Title 48 of the Revised Statutes.

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

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<sup>2</sup>1. As used in sections 1 through 2 of P.L. , c. (C. )
(pending before the Legislature as this bill):

"Local authority" means an authority, as defined in section 3 of P.L.1983, c.313 (C.40A:5A-3), or a water district established pursuant to R.S.40:62-96 et seq., that provides electric, sewer, or water service.

"Municipal utility" means a municipal public utility, as defined in N.J.S.40A:1-1, that provides electric, sewer, or water service.

"Public utility" means a public utility, as defined pursuant to R.S.48:2-13, that provides electric, gas, sewer, or water service.

"Residential customer" means a residential customer of record of a local authority, municipal utility, or a public utility or any residential tenant of a residence where the owner or any agent or other representative of the owner of the residence is a non-residential customer of record of a local authority, municipal utility, or public utility.

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<sup>2</sup>[1.] 2.<sup>2</sup> <sup>1</sup>a.<sup>1</sup> The provisions of Executive Order No. 246 of 2021 concerning a grace period for residential customers of certain utilities, including paragraphs two through four, nine through 14, 16 through 18, and 21, shall remain in effect for any local authority, municipal utility, and public utility that provides sewer or water service <sup>2</sup>, and any municipal utility or rural electric cooperative that provides electric service, through March 15, 2022. Any residential customer sewer or water service discontinuance 2, and any discontinuance of electric service to a residential customer of a municipal utility or rural electric cooperative<sup>2</sup> occurring between the end of the grace period established pursuant to Executive Order No. 246 of 2021 and the effective date of P.L., c. (pending before the Legislature as this bill) shall be nullified and service shall be restored immediately. Notwithstanding any other provisions of law, a local authority or municipal utility shall not place, sell, or enforce a lien on real property for the unpaid balance of any <sup>2</sup>electric or <sup>2</sup> water <sup>2</sup>charges, <sup>2</sup> or <sup>2</sup>for the unpaid balance of any<sup>2</sup> sewer charges <sup>2</sup>not sold at tax sale as of January 1, 2022<sup>2</sup> until after the expiration of the extended grace period pursuant to this section. The extended grace period provided for in this section shall expire on March 15, 2022.

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:

<sup>1</sup>Senate SEG committee amendments adopted December 9, 2021.

<sup>&</sup>lt;sup>2</sup>Senate SBA committee amendments adopted December 16, 2021.

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1 <sup>1</sup>b. Notwithstanding any other provisions of law, prior to 2 discontinuing service to a residential customer, or placing, selling, 3 or enforcing a lien on real property owned by a residential customer <sup>2</sup>[,]<sup>2</sup> for the unpaid balance of any <sup>2</sup>[electric, gas, or]<sup>2</sup> water 4 charges accrued between the declaration of a public health 5 emergency in Executive Order No. 103 of 2020 and <sup>2</sup> [the expiration 6 date of the extended grace period established in subsection a. of this 7 section March 15, 2022<sup>2</sup>, a local authority, municipal utility, or 8 public utility shall offer <sup>2</sup>[to] the<sup>2</sup> residential <sup>2</sup>[customers] 9 customer a<sup>2</sup> utility service bill payment <sup>2</sup>[plans] plan<sup>2</sup> for the 10 unpaid balance of any water <sup>2</sup>[or electric]<sup>2</sup> charges accrued 11 12 <sup>2</sup>[between the declaration of a public health emergency in Executive Order No. 103 of 2020 and the expiration date of the 13 14 extended grace period established in subsection a. of this section] prior to March 15, 2022<sup>2</sup>. The utility service bill payment plan 15 shall have a minimum 12 <sup>2</sup>[-]<sup>2</sup> month duration unless the 16 17 residential customer requests a shorter payback period, and shall not 18 require payment of a down payment, deposit, reconnection costs, 19 interest, or penalties. The local authority, municipal utility, or 20 public utility may offer residential customers a combined payment 21 and payment forgiveness plan with a duration of less than 12 22 months that involves forgiveness of at least 50 percent of the 23 outstanding principal upon the consent of the residential customer. 24 If a residential customer does not agree to a utility service bill payment plan <sup>2</sup>pursuant to this subsection <sup>2</sup> within 30 days of being 25 offered <sup>2</sup>[a] the <sup>2</sup> plan by the local authority, municipal utility, or 26 public utility, <sup>2</sup> [the residential customer shall be deemed to have 27 waived the right to enter into a utility service bill payment plan 28 and 12 the local authority, municipal utility, or public utility may 29 30 take appropriate enforcement action after <sup>2</sup>[the expiration date of 31 the extended grace period pursuant to this section March 15, 2022, including discontinuing service or placing, selling, or enforcing a 32 lien, to the extent otherwise permitted by law <sup>2</sup>. 33 c. <sup>2</sup>Notwithstanding any other provisions of law, prior to 34 discontinuing service to a residential customer, or placing, selling, 35 or enforcing a lien on real property owned by a residential 36 37 customer, for the unpaid balance of any electric charges accrued 38 between the declaration of a public health emergency in Executive 39 Order No. 103 of 2020 and March 15, 2022, a municipal electric 40 utility or rural electric cooperative shall offer the residential customer a utility service bill payment plan for the unpaid balance 41 of any electric charges accrued prior to March 15, 2022. The utility 42 43 service bill payment plan shall have a minimum 12 month duration 44 unless the residential customer requests a shorter payback period, 45 and shall not require payment of a down payment, deposit, 46 reconnection costs, interest, or penalties. The municipal electric 47 utility or rural electric cooperative may offer residential customers a

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1 combined payment and payment forgiveness plan with a duration of 2 less than 12 months that involves forgiveness of at least 50 percent 3 of the outstanding principal upon the consent of the residential 4 customer. If a residential customer does not agree to a utility 5 service bill payment plan pursuant to this subsection within 30 days 6 of being offered the plan by the municipal electric utility or rural 7 electric cooperative, the municipal electric utility or rural electric 8 cooperative may take appropriate enforcement action after March

9 <u>15, 2022, including discontinuing service or placing, selling, or</u> 10 enforcing a lien, to the extent otherwise permitted by law.

11 d. Notwithstanding any other provisions of law, prior to 12 discontinuing service to a residential customer for the unpaid 13 balance of any electric or gas charges accrued between the 14 declaration of a public health emergency in Executive Order No. 15 103 of 2020 and the expiration date of Executive Order No. 246 of 16 2021, or in the case of a customer participating in the Winter Termination Program set forth in N.J.A.C.14:3-3A.5, any electric or 17 18 gas charges accrued between the declaration of a public health 19 emergency in Executive Order No. 103 of 2020 and March 15, 20 2022, a public utility shall offer the residential customer a utility 21 service bill payment plan for the unpaid balance of any electric or 22 gas charges accrued prior to the expiration date of Executive Order 23 No. 246 of 2021 or, in the case of a customer participating in the 24 Winter Termination Program set forth in N.J.A.C.14:3-3A.5, any 25 electric or gas charges accrued prior to March 15, 2022. The utility 26 service bill payment plan shall have a minimum 12 month duration 27 unless the residential customer requests a shorter payback period, 28 and shall not require payment of a down payment, deposit, 29 reconnection costs, interest, or penalties. The public utility may 30 offer residential customers a combined payment and payment 31 forgiveness plan with a duration of less than 12 months that 32 involves forgiveness of at least 50 percent of the outstanding principal upon the consent of the residential customer. If a 33 34 residential customer does not agree to a utility service bill payment 35 plan pursuant to this subsection within 30 days of being offered the plan by the public utility, the public utility may take appropriate 36 37 enforcement action after the expiration of Executive Order 246 of 38 2021 or for customers participating in the Winter Termination 39 Program set forth in N.J.A.C.14:3-3A.5 after March 15, 2022, 40 including discontinuing service, to the extent otherwise permitted 41 by law.

e.<sup>2</sup> Notwithstanding any other provisions of law, prior to discontinuing service to a residential customer, or placing, selling, or enforcing a lien on real property owned by a residential customer, for the unpaid balance of any sewer charges accrued between <sup>2</sup>the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022 that had not been sold at tax sale as of <sup>2</sup> January 1, 2022 <sup>2</sup> [and the expiration date of the

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extended grace period established in subsection a. of this section ]<sup>2</sup>, 1 a local authority, municipal utility, or public utility shall offer <sup>2</sup>[to] a<sup>2</sup> residential <sup>2</sup> [customers] customer a<sup>2</sup> utility service bill payment 3 <sup>2</sup>[plans] plan<sup>2</sup> for the unpaid balance of any sewer charges accrued 4 between <sup>2</sup> January 1, 2022 and the expiration date of the extended 5 grace period established in subsection a. of this Section. Any 6 7 unpaid sewer charges accrued between the declaration of a public 8 health emergency in Executive Order 103 No. of 2020 and 9 December 31, 2021 that had not been sold at tax sale as of January 10 1, 2022 shall also be included in a utility service bill payment plan pursuant to this subsection the declaration of a public health 11 emergency in Executive Order No. 103 of 2020 and March 15, 12 2022<sup>2</sup>. The utility service bill payment plan shall have a minimum 13 12 <sup>2</sup>[-]<sup>2</sup> month duration unless the residential customer requests a 14 shorter payback period, and shall not require a down payment, 15 deposit, reconnection costs, interest, or penalties. The local 16 authority, municipal utility, or public utility may offer residential 17 18 customers a combined payment and payment forgiveness plan with 19 a duration of less than 12 months that involves forgiveness of at least 50 percent of the outstanding principal upon the consent of the 20 residential customer. If a residential <sup>2</sup>sewer<sup>2</sup> customer does not 21 agree to a utility service bill payment plan within 30 days of being 22 offered a plan by the local authority, municipal utility, <sup>2</sup>[the 23 24 residential customer shall be deemed to have waived the right to 25 enter into a utility service bill payment plan and or public utility,<sup>2</sup> the local authority, municipal utility, or public utility may take 26 appropriate enforcement action after <sup>2</sup> the expiration date of the 27 extended grace period pursuant to this section March 15, 2022, to 28 the extent otherwise permitted by law<sup>2</sup>. 29 <sup>2</sup>[d.] f.<sup>2</sup> Utility service bill payment plans offered by municipal 30 31

<sup>2</sup>[d.] f.<sup>2</sup> Utility service bill payment plans offered by municipal utilities and local authorities pursuant to subsections b. <sup>2</sup>[and].<sup>2</sup> c. <sup>2</sup>, and e.<sup>2</sup> of this section shall be subject to the provisions of R.S.54:5-19 pertaining to installment agreements, except as otherwise provided in this section, and that a residential customer shall be offered a utility service bill payment plan for the payment of water, sewer, or electric charges that became delinquent notwithstanding whether a parcel of property is already subject to an installment payment plan pursuant to law.

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45 46 <sup>2</sup>[e.] g.<sup>2</sup> No local authority, municipal utility, or public utility shall collect any interest, fee, or charge <sup>2</sup>from residential customers<sup>2</sup> for late or otherwise untimely payments of <sup>2</sup>[electric, gas, or]<sup>2</sup> water charges that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and <sup>2</sup>[the expiration date of the extended grace period] March 15, 2022<sup>2</sup>. A local authority, municipality utility, or public utility may charge and collect fees, interest, and penalties for delinquent water

<sup>2</sup>[, electric, or gas]<sup>2</sup> charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after <sup>2</sup>[the expiration date of the extended grace period established in subsection a.] March 15, 2022<sup>2</sup>, as permitted by law.

<sup>2</sup>h. No municipal electric utility or rural electric cooperative shall collect any interest, fee, or charge from residential customers for late or otherwise untimely payments of electric charges that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022. A local authority, municipal utility, or public utility may charge and collect fees, interest, and penalties for delinquent electric charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after March 15, 2022, as permitted by law.

i. No public utility shall collect any interest, fee, or charge from residential customers for late or otherwise untimely payments of electric or gas charges that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and the expiration date of Executive Order No. 246 of 2021, or in the case of a customer participating in the Winter Termination Program set forth in N.J.A.C.14:3-3A.5, that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022. A public utility may charge and collect fees, interest, and penalties for delinquent electric or gas charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after the expiration date of Executive Order No. 246 of 2021 or March 15, 2022, as applicable, as permitted by law.<sup>2</sup>

<sup>2</sup>[f.] j.<sup>2</sup> No local authority, municipal utility, or public utility shall collect any interest, fee, or charge for late or otherwise untimely payments of sewer charges that accrued between January 1, 2022 and <sup>2</sup>[the expiration date of the extended grace period] March 15, 2022<sup>2</sup>, or that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and December 31, 2021 and had not been sold at tax sale as of January 1, 2022. A local authority, municipality utility, or public utility may charge and collect fees, interest 2[,]2 and penalties for delinquent sewer charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after <sup>2</sup>[the expiration date of the extended grace period established in subsection a. of this section March 15, 2022, as permitted by law.1 

<sup>2</sup>[2] <u>3</u><sup>2</sup>. As used in sections <sup>2</sup>[2] <u>3</u><sup>2</sup> through <sup>2</sup>[4] <u>5</u><sup>2</sup> of P.L., c. (C. ) (pending before the Legislature as this bill):

"Board" means <sup>2</sup>the Board of Public Utilities or any successor agency.

1 "Department" means the Department of Community Affairs.

"Local authority" means an authority, as defined in section 3 of P.L.1983, c.313 (C.40A:5A-3), or a water district established pursuant to R.S.40:62-96 et seq. that provides electric, sewer or water service.

"Municipal utility" means a municipal public utility, as defined in N.J.S.40A:1-1, that provides <sup>2</sup>electric, <sup>2</sup> sewer or water service.

"Program" means the Winter <sup>2</sup>[Sewer and Water]<sup>2</sup> Termination Program established pursuant to section <sup>1</sup>[2] <sup>2</sup>[3<sup>1</sup>] <u>4</u><sup>2</sup> of P.L., c. (C. ) (pending before the Legislature as this bill).

"Residential customer" means a residential <sup>2</sup>customer of record of a<sup>2</sup> local authority <sup>2</sup>[or], <sup>2</sup> municipal utility <sup>2</sup>[customer of record], or rural electric cooperative, <sup>2</sup> or any residential tenant of a residence where the owner or any agent or other representative of the owner of the residence is a non-residential customer of record <sup>2</sup>of the local authority, municipal utility, or rural electric coperative<sup>2</sup>.

"Utility emergency" means any condition constituting a potential danger to life, health, or property requiring a local authority or a municipal utility to '[immediately]' discontinue '[or],' interrupt ', or maintain the discontinuation or interruption of 'electric,' sewer or water service or that results in an unscheduled discontinuance or interruption in 'electric,' sewer or water service.

<sup>2</sup>[3] <u>4</u><sup>2</sup>. a. Within <sup>1</sup>[60] <u>120</u><sup>1</sup> days of the effective date of P.L., c. (C. ) (pending before the Legislature as this bill), the Department of Community Affairs shall establish a Winter <sup>2</sup>[Sewer and Water] Termination Program, which shall prohibit a local authority <sup>2</sup>[or], municipal utility <sup>2</sup>, or rural electric cooperative from discontinuing service during the period from November 15 through March 15, to a residential customer deemed qualified for program eligibility by the department. The program shall reflect the provisions of the Winter Termination Program for residential electric and gas public utility service, established by the board and published in the New Jersey Administrative Code, as appropriate for <sup>2</sup>residential electric, sewer and water service. The program shall include:

- b. <sup>2</sup>[in] In<sup>2</sup> addition to categorical eligibility for customers receiving assistance under programs specified in the eligibility criteria in the board's Winter Termination Program for residential electric and gas service:
- 42 (1) categorical eligibility for any customer receiving assistance 43 under the Low Income Household Water Assistance Program 44 established pursuant to the Consolidated Appropriations Act of 45 2021, Pub.L. 116-260, or any other State or local program that

provides assistance specifically to help eligible customers pay

2 electric, sewer or water bills;

- (2) a process, in a form and manner to be determined by the department, which allows a residential customer to self-certify an inability to pay their local authority or municipal utility bill due to circumstances beyond the customer's control, provided that the circumstances shall include, but not be limited to, unemployment, illness, medically related expenses, recent death of an immediate family member, and any other circumstances that might cause financial hardship; and
- (3) a requirement that a local authority or municipal utility shall maintain or reconnect <sup>2</sup><u>electric</u>, sewer, or <sup>2</sup> water service if a residential customer <sup>2</sup>of a local authority, municipal utility, or rural electric cooperative<sup>2</sup> can <sup>2</sup> [demonstrate, in a manner determined by the department, that the customer has met the requirements provided in paragraph (1) of this subsection or **]** prove that they have submitted an application for assistance under<sup>2</sup> the Low Income Household Water Assistance Program established pursuant to the Consolidated Appropriations Act of 2021, Pub.L. 116-260 or any other State, local, or utility program that provides assistance or discounted rates specifically to help eligible customers pay <sup>2</sup><u>electric</u>, <sup>2</sup> sewer or water bills <sup>2</sup>, <u>before such application has been</u> approved, denied, or withdrawn 1, unless there is a utility emergency<sup>1</sup>. <sup>2</sup>Upon request, the residential customer shall provide the local authority, municipal utility, or rural electric cooperative with an update on the status of the application.<sup>2</sup>

**2**[4]  $\underline{5^2}$ . The department, in consultation with the Board of Public Utilities, shall promulgate rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purpose of sections  ${}^2$ [2]  $\underline{3^2}$  and  ${}^2$ [3]  $\underline{4^2}$  of P.L., c. (C.) (pending before the Legislature as this bill)

<sup>2</sup>[5] <u>6</u><sup>2</sup>. As used in sections <sup>2</sup>[5] <u>6</u><sup>2</sup> through <sup>2</sup>[7] <u>8</u><sup>2</sup> of P.L. c. (C. ) (pending before the Legislature as this bill):

"Board" means the Board of Public Utilities or any successor agency.

"Public utility" means a public utility, as defined pursuant to R.S.48:2-13, that provides electric, gas, sewer, or water service.

"Residential customer" means a residential <sup>2</sup>customer of record of a<sup>2</sup> public utility <sup>2</sup>[customer of record]<sup>2</sup> or any residential tenant of a residence where the owner or any agent or other representative of the owner of the residence is a non-residential customer of record <sup>2</sup>of the public utility<sup>2</sup>.

"Utility emergency" means any condition constituting a potential danger to life, health, or property requiring a sewer or water public utility to '[immediately]' discontinue '[or],' interrupt ', or

maintain the discontinuation or interruption of sewer or water service or that results in an unscheduled discontinuance or interruption in sewer or water service.

- **2**[6.] 7.2 Within <sup>1</sup>[60] 120<sup>1</sup> days of the effective date of P.L., c. (C. ) (pending before the Legislature as this bill), the Board of Public Utilities shall include each sewer and water public utility in the board's Winter Termination Program as established by the board pursuant to rules and regulations adopted by the board and published in the New Jersey Administrative Code. In addition to the inclusion of sewer and water public utilities, the board shall establish within the Winter Termination Program:
- a. categorical eligibility for any customer receiving assistance under the Low Income Household Water Assistance Program established pursuant to the Consolidated Appropriations Act of 2021, Pub.L. 116–260 or any other State, local, or utility program that provides assistance specifically to help eligible customers pay sewer or water bills;
- b. a process, in a form and manner to be determined by the board, which allows a residential customer to self-certify an inability to pay their public utility bill due to circumstances beyond the customer's control, provided that the circumstances shall include, but not be limited to, unemployment, illness, medically related expenses, recent death of an immediate family member, and any other circumstances that might cause financial hardship; and
- c. a requirement that a water public utility shall maintain or reconnect <sup>1</sup>[without charge] <sup>1</sup> water public utility service if <sup>2</sup>[a] the water public utility<sup>2</sup> residential customer can <sup>2</sup>[demonstrate, in a manner determined by the board, that the customer has met the requirements provided in subsection a. of this section or the] prove they have submitted an application for assistance under the <sup>2</sup> Low Income Household Water Assistance Program established pursuant to the Consolidated Appropriations Act of 2021, Pub.L. 116–260 or any other State, local, or utility program that provides assistance or discounted rates specifically to help eligible customers pay sewer or water bills <sup>2</sup>, before such application has been approved, denied, or withdrawn<sup>2</sup> <sup>1</sup>, unless there is a utility emergency <sup>1</sup>. <sup>2</sup>Upon request, the residential customer shall provide the public utility with an update on the status of the application. <sup>2</sup>

<sup>2</sup>[7]  $\underline{8}^2$ . The board shall promulgate rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purpose of sections <sup>2</sup>[5]  $\underline{6}^2$  and <sup>2</sup>[6]  $\underline{7}^2$  of P.L. ,c. (C. ) (pending before the Legislature as this bill).

<sup>2</sup>[8.] 9.<sup>2</sup> This act shall take effect immediately.