

ASSEMBLY, No. 654

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ZECKER

1 AN ACT concerning water rent liens and amending R.S.40:62-141..

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

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6 1. R.S.40:62-141 is amended to read as follows:

7 40:62-141. The owner of any house, tenement, building or lot shall
8 be liable for the payment of the price or rent as fixed by the
9 commission for the use of water by such owner or by the occupier, and
10 for the installation, purchase price, repair and testing of any water
11 meter or water meters, water service, water services, connections,
12 appliances or parts, and renewals thereof furnished or made by the
13 commission, in, upon or connecting with such house, tenement,
14 building or lot and the interest and penalties charged.

15 The price or rent so fixed, and the other costs, expenses, interest
16 and penalties, hereinafter referred to as "service charges", shall be a
17 lien upon such house, tenement, building or lot until the same shall be
18 paid and satisfied, and shall be enforceable by an action at law in any
19 competent court.

20 In the event that any service charges of the commission with regard
21 to any parcel of real property owned by any person other than the
22 State or an agency or subdivision thereof shall not be paid as and when
23 due, the unpaid balance thereof and all interest accruing thereon shall
24 be a lien on such parcel. Such lien shall be superior and paramount to
25 the interest in such parcel of any owner, lessee, tenant, mortgagee or
26 other person except the lien of municipal taxes and shall be on a parity
27 with and deemed equal to the lien on such parcel of the municipality
28 where such parcel is situate for taxes thereon due in the same year and
29 not paid when due. Such lien shall not bind or affect a subsequent
30 bona fide purchaser of such parcel for a valuable consideration without
31 actual notice of such lien, unless the commission shall have filed in the
32 office of the collector or other officer of said municipality charged

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

Matter underlined thus is new matter.

1 with the duty of enforcing municipal liens on real property a statement
2 showing the amount and due date of such unpaid balance and
3 identifying such parcel, which identification may be sufficiently made
4 by reference to the assessment map of said municipality. The
5 information shown in such statement shall be included in any
6 certificate with respect to said parcel thereafter made by the official of
7 said municipality vested with the power to make official certificates of
8 searches for municipal liens. Whenever such service charge and any
9 subsequent service charge with regard to such parcel and all interest
10 accrued thereon shall have been fully paid to the commission, such
11 statement shall be promptly withdrawn or canceled by the commission.

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

20 The commission shall notify the officers or board having charge of
21 the collection of taxes in each municipality in which the commission
22 shall supply water to any of the inhabitants of such municipality, that
23 the commission is supplying water to such inhabitants, and requesting
24 said officials or board to notify all persons applying for a certificate
25 showing municipal or other liens against property in such municipality,
26 that the applicant must apply to the commission to ascertain the
27 amount of water rents or other charges due to the commission, which
28 are by law made a lien upon the premises covered by the certificate.

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

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

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34 2. This act shall take effect immediately.

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STATEMENT

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39 This bill makes the lien procedure for unpaid water service charges
40 similar to the procedure in chapter 14B of Title 40 of the Revised
41 Statutes, which sets forth the law governing municipal and county
42 utilities authorities. The bill defines "service charges" as the price or
43 rent of the water plus any other costs, expenses, interest and penalties.
44 The bill requires that unpaid service charges be a lien against a
45 property, superior and paramount to all other liens except municipal

1 taxes and establishes that an unpaid water lien will be an equal lien to
2 a tax lien.

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7 Requires that unpaid water liens constitute a first lien against property

8 in matters of foreclosure.