

ASSEMBLY AGRICULTURE AND WASTE MANAGEMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1715

STATE OF NEW JERSEY

DATED: MARCH 25, 1997

The Assembly Agriculture and Waste Management Committee favorably reports Assembly Bill No. 1715.

This bill would provide for a host municipality benefit to be paid, by a sewerage authority, to any municipality with a population between 10,000 and 11,000 persons, in a county of the second class with a population between 360,000 and 400,000 persons. The benefit would be calculated on the basis of the amount of wastewater processed annually at the wastewater treatment facility and received from municipalities within the authority's service area, and the amount of wastewater or sludge transported from other municipalities or other generators. Specifically, the benefit would be determined by: (1) multiplying \$0.04 times each 1,000 gallons of wastewater processed at the wastewater treatment facility per year that was generated by the municipalities served by the authority collection system; and (2) multiplying \$1.75 times each 1,000 gallons of wastewater or sludge, as the case may be, transported from other municipalities or generators thereof. The total amount of each annual benefit shall be rounded to the nearest \$1.00.

The bill would require the authority to pay the host municipality annually and would allow that municipality to anticipate the amount of the benefit for the purpose of preparing its annual budget. The bill would allow the authority and the host municipality to negotiate the manner of payment of the benefit as either: a payment in lieu of taxes; an exemption from the host municipality's fees and charges for treatment of its wastewater; a lump sum cash payment or payments in accordance with a schedule; or, any combination thereof.

Finally, the bill would provide that payment of the host municipality's benefit would be considered a cost of operation and maintenance of the authority for which rents, rates, fees, or other charges are collected.

Under the criteria in the bill, the Township of Mount Holly would be entitled to a host municipality benefit to be paid by the Mount Holly Sewerage Authority. This bill would codify an existing voluntary payment by the Mount Holly Sewerage Authority to the Township of Mount Holly.