

ASSEMBLY, No. 5994

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 15, 2021

Sponsored by:

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblywoman Chaparro, Assemblyman Mukherji and Assemblywoman Quijano

SYNOPSIS

Establishes “Household Water Assistance Program”; appropriates \$75 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/6/2021)

1 AN ACT providing water assistance, sewer assistance, and
2 stormwater utility assistance to low-income households and
3 supplementing Title 52 of the Revised Statutes and making an
4 appropriation.

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

8
9 1. As used in P.L. , c. (C.) (pending before the
10 Legislature as this bill):

11 “Affordable” means, with respect to a household’s costs for
12 water services that the household is able to pay for water services
13 that are adequate to meet the household’s basic needs while
14 maintaining the ability to pay for other essential costs.

15 “Arrears” means debt owed by a customer of a water system for
16 unpaid water service bills.

17 “Assistance” means financial and other assistance provided to or
18 on behalf of an eligible household to reduce the household’s costs
19 of water service.

20 “Board” means the New Jersey Board of Public Utilities.

21 “Commissioner” means the Commissioner of Community
22 Affairs.

23 “Department” means the Department of Community Affairs.

24 “Eligible household” means a household, regardless of federal
25 immigration status of the members of the household that:

26 (1) has an adjusted gross income at or below an amount to be
27 determined by the department, which shall be equal to or greater
28 than 200 percent of the federal poverty guidelines;

29 (2) includes one or more individuals residing in the eligible
30 household who receive or are eligible to receive the following:

31 (a) benefits under part A of title IV of the Social Security Act,
32 42 U.S.C. s.601 et seq.;

33 (b) supplemental security income payments under title XVI of
34 the Social Security Act, 42 U.S.C. s.1381 et seq.;

35 (c) food stamps under the “Food Stamps Act of 1997,” 7 U.S.C.
36 s.2011 et seq.;

37 (d) payments under section 415, 521, 541, or 542 of the title 38,
38 United States Code, or under section 306 of the “Veterans’ and
39 Survivors’ Pension Improvement Act of 1978,” Pub.L. 95-588;

40 (e) payments under the Low Income Home Energy Assistance
41 Program established pursuant to 42 U.S.C. s.8621 et seq.;

42 (f) benefits under the “Universal Service Fund” established
43 pursuant to P.L.1999, c.23 (C.48:3-60);

44 (g) benefits under the “Lifeline Credit Program” established
45 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.);

46 (h) benefits under the “Tenants’ Lifeline Assistance Program”
47 established pursuant to P.L.1981, c.210 (C.48:2-29.31 et seq.);

1 (i) protections under the “Winter Termination Program”
2 established pursuant to N.J.A.C.14:3-3A.5;

3 (j) benefits under the “Pharmaceutical Assistance to the Aged
4 and Disabled Program”, established pursuant to P.L.1975, c.194
5 (C.30:4D-20 et seq.); or

6 (k) benefits as defined pursuant to section 1 of P.L.1997, c.14
7 (C.44:10-44); or

8 (3) is experiencing temporary financial hardship as defined by
9 the department including but not limited to financial hardship
10 caused by unemployment, illness, medically related expenses,
11 recent death of an immediate family member, a public health
12 emergency as provided in section 2 of P.L.2005, c.222 (C.26:13-2),
13 or a state of emergency pursuant to P.L.1942, c.251 (C.App.A:9-
14 33 et seq.).

15 “Fund” means the Household Water Assistance Fund, established
16 pursuant to section 5 of P.L. , c. (C.) (pending before the
17 Legislature as this bill).

18 “Program” means the Household Water Assistance Program,
19 established pursuant to section 2 of P.L. , c. (C.) (pending
20 before the Legislature as this bill).

21 “Water crisis” means weather-related and supply shortage
22 emergencies and other household water-related emergencies,
23 including but not limited to disconnection of water service for
24 nonpayment, imminent disconnection of service for nonpayment, or
25 other emergency threatening a household’s access to safe water
26 service.

27 “Water service” means service provided by a water system.

28 “Water system” includes all of the following:

29 (1) a public community water system, as that term is defined by
30 section 3 of P.L.1977, c.224 (C.58:12A-3);

31 (2) a stormwater utility established pursuant to P.L.2019, c.42
32 (C.40A:26B-1 et seq.); and

33 (3) an authority, as defined in P.L.1983, c. 313 (C.40A:5A-3),
34 municipal public utility, as defined in P.L.1960, c.169 (C.40A:1-1),
35 or public utility, as defined pursuant to section 1 of P.L.1983, c.78
36 (C.48:2-13.1), that provides sewer service.

37
38 2. a. The Commissioner of Community Affairs, in consultation
39 with the board, shall establish the “Household Water Assistance
40 Program” not later than the first day of the eighth month next
41 following enactment of P.L. , c. (C.) (pending before the
42 Legislature as this bill). The purposes of the program shall be to
43 provide financial and other assistance to or on behalf of eligible
44 households throughout New Jersey to reduce the cost of water
45 services to those households, prevent the disconnection of water
46 service to households due to inability to pay, and restore water
47 service to households disconnected due to inability to pay.

1 b. The program required to be created by this section shall, to
2 the greatest extent possible, ensure that the costs of water services
3 are affordable for all eligible households and shall provide the
4 following types of assistance:

- 5 (1) direct assistance;
6 (2) assistance to renters and other households who do not
7 receive a bill from a water system but pay other amounts, fees, or
8 charges related to residential water system service;
9 (3) water crisis intervention assistance;
10 (4) water efficiency, leak detection, and plumbing repair
11 measures for eligible households; and
12 (5) debt relief for arrears, including arrears accrued prior to
13 implementation of the program.

14 c. The program shall also offer short-term financial support to
15 water systems, as defined by section 1 of P.L. , c. (C.)
16 (pending before the Legislature as this bill) that are not public
17 utilities as defined by section 1 of P.L.1983, c.78 (C.48:2-13) to
18 administer program components, including initial startup costs.

19 d. The program may provide financial support to a water
20 system that is not a public utility as defined by section 1 of
21 P.L.1983, c.78 (C.48:2-13) to implement one or more of the
22 solutions proposed in an annual expenditure plan pursuant to
23 paragraph (5) of subsection a. of section 4 of P.L. , c. (C.)
24 (pending before the Legislature as this bill), provided that the total
25 amount of funds used for this purpose shall not exceed three percent
26 of the program's total annual budget.

27 e. If the commissioner secures federal funding that may be
28 used to provide assistance under the program prior to the first day
29 of the eighth month next following the enactment of
30 P.L. , c. (C.) (pending before the Legislature as this bill),
31 the commissioner shall begin to operate the program on an
32 emergency basis, consistent with any applicable conditions on the
33 State's receipt of such federal funding.

34 f. The commissioner shall coordinate the program with any
35 existing assistance programs to the extent practicable.

36 g. In developing the program, the commissioner shall consider
37 adapting program design elements of one or more existing low-
38 income energy assistance programs, including the Universal Service
39 Fund and the Low Income Home Energy Assistance Program.

40 h. In administering the program, the commissioner shall
41 consult and coordinate with the board and consult with the
42 Household Water Assistance Advisory Group established pursuant
43 to section 3 of P.L. , c. (C.) (pending before the Legislature
44 as this bill) to develop and publish performance metrics that are
45 disaggregated by utility name, type of water service provided,
46 municipality, and zip code or, to the maximum extent practicable,
47 census tract in lieu of zip code. Performance metrics shall include,
48 but are not limited to, enrollment levels, disconnection of water

1 service for inability to pay, and on-time payment levels. The
2 commissioner shall coordinate with the board to collect data to
3 track the performance metrics.

4 i. The commissioner shall, as may be necessary, coordinate
5 and consult with other State agencies concerning aspects of the
6 program and resolve disputes as may be necessary.
7

8 3. a. There is established a “Household Water Assistance
9 Advisory Group” to advise the commissioner in the development of
10 the program. The advisory group shall organize no later than 30
11 days after the enactment of P.L. , c. (C.) (pending before
12 the Legislature as this bill) and shall include representatives of each
13 of the following entities, to be appointed by the Governor: a public
14 community water system, as defined by section 3 of P.L.1977,
15 c.224 (C.58:12A-3), that is not a public utility as defined by to
16 section 1 of P.L.1983, c.78 (C.48:2-13); a public community water
17 system, as that term is defined by section 3 of P.L.1977, c.224
18 (C.58:12A-3), that is a public utility as defined by to section 1 of
19 P.L.1983, c.78 (C.48:2-13); a stormwater utility once it is created
20 pursuant to P.L.2019, c.42 (C.40A:26B-1 et seq.); an authority, as
21 defined in P.L.1983, c. 313 (C.40A:5A-3), or municipal public
22 utility, as defined in P.L.1960, c.169 (C.40A:1-1), that provides
23 sewer services; three representatives of non-governmental
24 organizations that work with, represent, or the membership of
25 which is comprised primarily by low-income residents, including at
26 least two community-based organizations; member of the public
27 that is a member of an eligible household; at least one technical
28 assistance provider, such as organizations that support the federal
29 Low-Income Home Energy Assistance Program or other low
30 income utility assistance programs; at least one local agency or non-
31 profit organization that manages multifamily housing serving low-
32 income residents; at least one person with technical expertise in
33 measuring the affordability of water services for households or
34 evaluating or designing programs to improve the affordability of
35 water services or other utility services or households; at least one
36 municipal official appointed by the Governor, upon the
37 recommendation of the New Jersey State League of Municipalities;
38 and at least one county official appointed by the Governor upon the
39 recommendation of the New Jersey Association of Counties.

40 b. The commissioner shall consult, coordinate, and collaborate
41 with the advisory group established pursuant to this section on
42 matters related to the development of the program, ongoing matters
43 related to the operation of the program, and the development and
44 adoption of an annual fund expenditure plan developed pursuant to
45 section 4 of P.L. , c. (C.) (pending before the Legislature
46 as this bill).

47 c. The failure to establish the advisory group established
48 pursuant to subsection a. of this section shall not delay the

1 establishment and implementation of the program established
2 pursuant to section 2 of P.L. , c. (C.) (pending before the
3 Legislature as this bill). Following a failure to establish the
4 advisory group, the commissioner shall independently consult with
5 the stakeholders described under subsection a. of this section and
6 other existing relevant advisory groups in developing the program
7 and the adoption of an annual fund expenditure plan developed
8 pursuant to section 4 of P.L. , c. (C.) (pending before the
9 Legislature as this bill).

10
11 4. a. The commissioner shall annually adopt an expenditure
12 plan for assistance to be provided under the program through the
13 “Household Water Assistance Fund” created pursuant to section 5
14 of P.L. , c. (C.) (pending before the Legislature as this bill)
15 after at least one public hearing and opportunity for written public
16 comment on the proposed use and distribution of monies through
17 the fund and a formal opportunity for public comment on a draft
18 expenditure plan.

19 The annual expenditure plan shall contain, but not be limited to,
20 the following information:

21 (1) identification of key terms, thresholds, criteria, and metrics,
22 and their definitions related to implementation of the program;

23 (2) a description of all program elements, how they were
24 selected and prioritized, and how they are coordinated with any
25 other existing assistance programs and other relevant programs
26 listed under the definition of “eligible household” pursuant to
27 section 1 of P.L. , c. (C.) (pending before the Legislature
28 as this bill);

29 (3) a report of expenditures from the fund established pursuant
30 to section 5 of P.L. , c. (C.) (pending before the Legislature
31 as this bill) for the prior fiscal year and planned expenditures for
32 each element of the program for the current fiscal year;

33 (4) an estimate of the number of households eligible for
34 assistance, including those that do not receive a direct bill for water
35 services;

36 (5) a section that discusses water service affordability
37 challenges and proposed solutions, in addition to the provision of
38 assistance funded through the program, for improving affordability
39 of water service for households served by water systems. An
40 evaluation of solutions shall include, but not be limited to adoption
41 by water systems or local units of government of:

42 (a) policies and programs that help customers reduce arrears,
43 including:

44 (i) amortization of an unpaid balance;

45 (ii) participation in an alternative payment schedule;

46 (iii) partial or full reduction of an unpaid balance;

47 (iv) temporary deferral of payment of unpaid balance; and

48 (v) an arrearage management plan;

- 1 (b) low-income discounts;
- 2 (c) tiered water rates that ensure that households receive at an
- 3 affordable cost an amount of water service usage sufficient to meet
- 4 the household's basic needs;
- 5 (d) percentage of income payment plans that ensure that
- 6 households receive at an affordable cost an amount of water service
- 7 usage sufficient to meet the household's basic needs;
- 8 (e) modification of water system rate schedules to reduce the
- 9 impact of fixed charges; and
- 10 (f) other local or regional programs to improve the affordability
- 11 of water services.
- 12 (6) methods to ensure timely and meaningful public
- 13 participation and encourage enrollment in the program; and
- 14 (7) an estimate of the funding available for the next fiscal year
- 15 based on the amount available in the fund, anticipated funding
- 16 needs, other existing funding sources, and other relevant data and
- 17 information.
- 18 b. The annual expenditure plan shall identify the funding need
- 19 of low-income households whose water service costs pose
- 20 affordability challenges based on metrics developed by the
- 21 department, in consultation with the board and the Household Water
- 22 Assistance Advisory Group established pursuant to section 3 of
- 23 P.L. , c. (C.) (pending before the Legislature as this bill).
- 24 c. The annual expenditure plan shall include analysis with
- 25 metrics, including the metrics developed pursuant to subsection h.
- 26 of section 2 and subsection b. of this section, to evaluate how
- 27 expenditures from prior fiscal years improved affordability.
- 28 d. Upon completion of each annual expenditure plan, the
- 29 commissioner shall submit the plan to the Governor, and to the
- 30 Legislature, and post the annual expenditure plan on the
- 31 department's Internet website.
- 32
- 33 5. a. There is hereby created in the department a separate trust
- 34 fund, to be used for the exclusive purposes as provided in this
- 35 section, and which shall be known as the "Household Water
- 36 Assistance Fund." The fund shall be a non-lapsing fund. All
- 37 monies appropriated annually by the Legislature, federal and other
- 38 grants received by the State, and any other monies made available
- 39 for the purposes of the fund shall be deposited in the fund.
- 40 Additionally, the department shall seek to maximize any available
- 41 federal funding which may be used for the purposes of
- 42 administering this program. The department shall be permitted to
- 43 utilize annually up to 10 percent of the monies available in the fund
- 44 for the payment of any necessary administrative costs related to the
- 45 administration of the program, pursuant to subsection a. of section 2
- 46 of P.L. , c. (C.) (pending before the Legislature as this
- 47 bill).

b. Monies in the fund shall be used by the department for the purposes provided in subsections b., c., and d. of section 2 of P.L. , c. (C.) (pending before the Legislature as this bill).

c. The department, in consultation with the board, may adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary for the implementation of this act.

6. a. No later than one year after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the board shall establish a mechanism for public utilities, as defined pursuant to section 1 of P.L.1983, c.78 (C.48:2-13), that provide electric or natural gas service to regularly share with the department any relevant data regarding customers currently enrolled in low-income energy assistance programs that is not already in the possession of the department.

b. The board and the commission shall ensure the data shared and collected pursuant to this section are subject to existing confidentiality protections provided under State law.

7. a. The commissioner may enter into agreements with municipal public utilities, as defined in P.L.1960, c.169 (C.40A:1-1) that provide electric or natural gas service, for the purposes of regularly sharing data with the department regarding utility customers enrolled in, or eligible to be enrolled in, affordability programs benefiting low-income households. The agreements may authorize the department to provide data pursuant to this paragraph to water systems for the sole purpose of assisting with the administration of the program.

b. The commissioner shall ensure the data shared and collected pursuant to this section are subject to existing confidentiality protections provided under State law.

8. There shall be appropriated to the “Household Water Assistance Fund” in the Department of Community Affairs, the sum of \$75,000,000 for the purpose of administering the “Household Water Assistance Program”, from the funds provided to the State by the United States government under the “American Rescue Plan Act of 2021,” Pub.L. 117-2.

9. This act shall take effect immediately.

STATEMENT

This bill would require the Commissioner of the Department of Community Affairs, in consultation with the New Jersey Board of Public Utilities (BPU), to establish the “Household Water

1 Assistance Program” (program). The purpose of the program would
2 be to provide affordability assistance for water, sewer, and
3 stormwater utility services, to eligible households throughout New
4 Jersey. Under the bill, “eligible households” means a household
5 regardless of the federal immigration status of the members of the
6 household that:

7 (1) has an income at or below an adjusted gross income to be
8 determined by the department, which shall be equal to or greater
9 than 200 percent of the federal poverty guidelines;

10 (2) has individuals residing in the eligible household who are
11 receiving the following:

12 (a) Temporary Assistance for Needy Families;

13 (b) Supplemental Security Income payments under title XVI of
14 the Social Security Act;

15 (c) food stamps;

16 (d) payments under section 415, 521, 541, or 542 of the title 38,
17 United States Code, or under section 306 of the “Veterans’ and
18 Survivors’ Pension Improvement Act of 1978;” or

19 (e) payments under the Low Income Home Energy Assistance
20 Program;

21 (f) benefits under the Universal Service Fund;

22 (g) benefits under the Lifeline Credit Program;

23 (h) benefits under the Tenants’ Lifeline Assistance Program;

24 (i) benefits under the Winter Termination Program;

25 (j) benefits under the Pharmaceutical Assistance to the Aged and
26 Disabled program; or

27 (k) benefits as defined under P.L.1997, c.14; or

28 (3) can demonstrate either temporary or ongoing financial
29 hardship according to the department.

30 Additionally, the bill defines “water system” to include all of the
31 following:

32 (1) a public community water system, as that term is defined by
33 section 3 of P.L.1977, c.224 (C.58:12A-3);

34 (2) a stormwater utility established pursuant to P.L.2019, c.42
35 (C.40A:26B-1 et seq.); and

36 (3) an authority, as defined in P.L.1983, c. 313 (C.40A:5A-3),
37 municipal public utility, as defined in P.L.1960, c.169 (C.40A:1-1),
38 or public utility, as defined pursuant to section 1 of P.L.1983, c.78
39 (C.48:2-13.1), that provides sewer service.

40 The bill provides that the program would provide the following
41 types of financial assistance:

42 (1) direct assistance;

43 (2) assistance to renters and other households who do not
44 receive a bill from a water system but pay other amounts, fees, or
45 charges related to residential water system service;

46 (3) water crisis intervention assistance;

47 (4) water efficiency, leak detection, and plumbing repair
48 measures for eligible households; and

1 (5) debt relief for arrears, including arrears accrued prior to
2 implementation of the program.

3 The commissioner is required to coordinate the program with any
4 existing assistance programs and in developing the program, the
5 commissioner would consider adapting elements of one or more
6 existing low-income energy assistance programs, including the
7 Universal Service Fund and the Low Income Home Energy
8 Assistance Program.

9 The bill provides that in administering the program, the
10 commissioner is required to consult and coordinate with the New
11 Jersey Board of Public Utilities and the Household Water
12 Assistance Advisory Group to develop and publish performance
13 metrics that are disaggregated by utility name, type of water service
14 provided, municipality, and zip code, which include enrollment
15 levels water shutoffs for inability to pay, and on-time payment
16 levels.

17 The bill would establish a “Household Water Assistance
18 Advisory Group” to advise the commissioner in the development of
19 the program. The advisory group would include representatives of
20 each of the following entities, to be appointed by the Governor: a
21 public community water system that is not a public utility; a public
22 community water system that is a public utility; a stormwater utility
23 once created; an authority or municipal public utility that provides
24 sewer services; three representatives of non-governmental
25 organizations; a member from the public that comes from an
26 eligible household; at least one technical assistance provider, such
27 as organizations that support the federal Low-Income Home Energy
28 Assistance Program or other low income utility assistance
29 programs; at least one local agency or non-profit organization that
30 manages multifamily housing serving low-income residents; at least
31 one person with technical expertise in measuring the affordability
32 of water services; at least one municipal official appointed by the
33 Governor, upon the recommendation of the New Jersey State
34 League of Municipalities; and at least one county official appointed
35 by the Governor upon the recommendation of the New Jersey
36 Association of Counties

37 The bill provides that the commissioner would be required to
38 consult, coordinate, and collaborate with the advisory group on
39 certain matters.

40 The bill would also require the commissioner to annually adopt
41 an expenditure plan for assistance to be provided under the program
42 through the “Water Rate Assistance Fund” (fund) created pursuant
43 to the bill. The fund would be a non-lapsing fund to contain monies
44 appropriated annually by the Legislature, federal and other grants
45 received by the State, and any other monies made available to fund
46 the water affordability assistance required to be provided in the bill.

47 The bill provides that no later than one year after the enactment
48 of this bill, BPU would be required to establish a mechanism for

1 public utilities that provide electric or natural gas services to
2 regularly share data with the department regarding customers
3 currently enrolled in low-income energy assistance programs.
4 Additionally, the commissioner would be allowed to enter into
5 agreements with municipal public utilities that provide electric or
6 natural gas service, for the purposes of regularly sharing data with
7 the department regarding utility customers enrolled in, or eligible to
8 be enrolled in, affordability programs benefiting low-income
9 households. The board and the commissioner would be required to
10 ensure that the data shared and collected under the bill would be
11 subject to existing confidentiality protections provided under State
12 law.

13 The bill would appropriate \$75 million to the fund within the
14 department for the purpose of administering the program from the
15 funds provided to the State by the United States government under
16 the “American Rescue Plan Act of 2021,” Pub.L. 117-2.