

P.L. 2021, CHAPTER 270, *approved November 8, 2021*
Senate, No. 1239

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:*
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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.

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.

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

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

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

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

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

24
25 3. This act shall take effect immediately.

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28 STATEMENT

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30 This bill authorizes municipalities to impose connection fees on
31 properties being connected to a municipal electric distribution
32 system.

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

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