

## CHAPTER 270

**AN ACT** authorizing the imposition of a fee for connection to a municipal electric distribution system, supplementing chapter 62 of Title 40 of the Revised Statutes, and amending R.S.40:62-14.

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

C.40:62-13.2 Connection fee imposed.

1. In addition to rates, rents, or charges, the municipal governing body may impose a separate charge in the nature of a connection fee upon the owner or occupant of the property being connected to the municipal electric distribution system. The connection charges shall be uniform within each class of users and the amount thereof shall not exceed the actual cost of the physical connection plus an amount representing a fair payment towards the cost of the system and computed in the following manner:

a. The amount representing all debt service, including but not limited to sinking funds, reserve funds, the principal and interest on bonds, and the amount of any loans and interest thereon, paid by the municipality to defray the capital cost of developing the system as of the end of the immediately preceding budget year shall be added to all capital expenditures made by a municipality not funded by a bond ordinance or debt for the development of the system as of the end of the immediately preceding budget year;

b. Any gifts, contributions or subsidies to the municipality received from, and not reimbursed or reimbursable to, any federal, State, county or municipal government or agency or any private person, and that portion of amounts paid to the municipality by a public entity under a service agreement or service contract which is not repaid to the public entity by the municipality, shall then be subtracted;

c. The remainder shall be divided by the total number of service units served by the municipality at the end of the immediately preceding budget year, and the results shall then be apportioned to each new customer according to the number of service units attributed to that connector, to produce the connector's contribution to the cost of the system. In attributing service units to each connector, the estimated average daily electric usage for the connector shall be divided by the average daily electric usage for the average single family residence in the municipality to produce the number of service units to be attributed.

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

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

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

Rents a lien; collection, connection fees, and enforcement.

40:62-14. The rates, rents, connections fees, or charges shall remain, until paid, municipal liens against the property and premises where such light, heat or power is furnished, and shall

draw interest at the rate of seven per cent per annum from and after the time when they shall become due, and shall, in addition to all other remedies, be collectible in the same manner as arrearages of taxes.

3. This act shall take effect immediately.

Approved November 8, 2021.