

40:14A-8 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:14A-8 et al

(Water and sewer systems--connection fees--uniform system)

LAWS OF: 1985

CHAPTER 526

BILL NO: S1487

Sponsor(s): Dorsey

Date Introduced: April 30, 1984

Committee: Assembly: Energy and Natural Resources

Senate: County and Municipal Government

Amended during passage: Yes

Amendments during passage denoted by asterisks.

Date of Passage:

Assembly:

January 13, 1986

Senate:

May 2, 1985

Date of Approval:

January 21, 1986

Following statements are attached if available:

Sponsor statement:

Yes

Attached: Assembly amendments, adopted 1-6-86 (with statement)

Committee statement:

Assembly

Yes

Senate

Yes

Fiscal Note:

No

Veto Message:

No

Message on Signing:

No

yes

Following were printed:

Reports:

No

Hearings:

No

[OFFICIAL COPY REPRINT]
SENATE, No. 1487

STATE OF NEW JERSEY

INTRODUCED APRIL 30, 1984

By Senator DORSEY

Referred to Committee on County and Municipal Government

AN ACT concerning connection charges by certain county and municipal authorities and amending P. L. 1946, c. 138 and P. L. 1957, c. 183.

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

1 1. Section 8 of P. L. 1946, c. 138 (C. 40:14A-8) is amended to
 2 read as follows:

3 8. (a) Every sewerage authority is hereby authorized to charge
 4 and collect rents, rates, fees or other charges (in this act some-
 5 times referred to as "service charges") for direct or indirect
 6 connection with, or the use or services of, the sewerage system.
 7 Such service charges may be charged to and collected from any
 8 person contracting for such connection or use or services or from
 9 the owner or occupant, or both of them, of any real property which
 10 directly or indirectly is or has been connected with the system or
 11 from or on which originates or has originated sewerage or other
 12 wastes which directly or indirectly have entered or may enter the
 13 sewerage system, and the owner of any such real property shall be
 14 liable for and shall pay such service charges to the sewerage au-
 15 thority at the time when the place where such service charges are
 16 due and payable.

17 (b) Rents, rates, fees and charges, which may be payable periodi-
 18 cally, being in the nature of use or service charges, shall as nearly
 19 as the sewerage authority shall deem practicable and equitable be
 20 uniform throughout the district for the same type, class and
 21 amount of use or service of the sewerage system, and may be based

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly amendments adopted January 6, 1986.

22 or computed either on the consumption of water on or in connection
23 with the real property, making due allowance for commercial use
24 of water, or on the number and kind of water outlets on or in
25 connection with the real property, or on the number and kind of
26 plumbing or sewerage fixtures or facilities on or in connection
27 with the real property, or on the number of persons residing or
28 working on or otherwise connected or identified with the real prop-
29 erty, or on the capacity of the improvements on or connected with
30 the real property, or on any other factors determining the type, class
31 and amount of use or service of the sewerage system, or on any
32 combination of any such factors, and may give weight to the char-
33 acteristics of the sewerage and other wastes and any other special
34 matter affecting the cost of treatment and disposal thereof, includ-
35 ing chlorine demand, biochemical oxygen demand, concentration of
36 solids and chemical composition. In addition to any such periodic
37 service charges, a separate charge in the nature of a connection fee
38 or tapping fee, in respect of each connection of any property with
39 the sewerage system may be imposed [upon the person making
40 such connection or] upon the owner or occupant of the property
41 so connected. Such connection charges shall be uniform within
42 each class of users [but the amount thereof shall otherwise be
43 entirely within the discretion of the authority in order that the],
44 *and the amount thereof shall not exceed the actual cost of the phys-*
45 *ical connection, if made by the authority, plus an amount computed*
46 *in the following manner to represent a fair payment toward the*
47 *cost of the system:*

48 (1) *The amount representing all debt service, including but not*
49 *limited to sinking funds, reserve funds, the principal and interest*
50 *on bonds, and the amount of any loans and interest thereon, paid*
51 *by the sewerage authority to defray the capital cost of developing*
52 *the system as of the end of the immediately preceding fiscal year*
53 *of the authority shall be added to all capital expenditures made by*
54 *the authority not funded by a bond ordinance or debt for the devel-*
55 *opment of the system as of the end of the immediately preceding*
56 *fiscal year of the authority.*

57 (2) *Any gifts, contributions or subsidies to the authority re-*
57A *ceived from, and not reimbursed or reimburseable to any federal,*
57B *State, county or municipal government or agency or any private*
58 *person, and that portion of amounts paid to the authority by a*
59 *public entity under a service agreement or service contract which*
60 *is not repaid to the public entity by the authority, shall then be*
61 *subtracted.*

62 (3) *The remainder shall be divided by the total number of ser-*
63 *vice units served by the authority at the end of the immediately*
64 *preceding fiscal year of the authority, and the results shall then*
65 *be apportioned to each new connector according to the number of*
66 *service units attributed to that connector, to produce the connec-*
67 *tor's contribution to the cost of the system. In attributing ser-*
68 *vice units to each connector, the estimated average daily flow of*
69 *sewage for the connector shall be divided by the average daily flow*
70 *of sewage for the average single family residence in the author-*
71 *ity's district to produce the number of service units to be attri-*
72 *buted.*

73 *The connection fee shall be recomputed at the end of each fiscal*
74 *year of the authority, after a public hearing is held in the manner*
75 *prescribed in subsection (c) of this section. The revised connec-*
76 *tion fee may be imposed upon those who subsequently connect in*
77 *that fiscal year to the system. The combination of such connection*
78 *fee or tapping fee and the aforesaid periodic service charges shall*
79 *meet the requirements of subsection (c) hereof* **;** *provided, how-*
80 *ever, that in assessing any such connection charges, the sewerage*
81 *authority shall give credit in every instance to the owner or occu-*
82 *pant of any property wherein or whereon any action or improve-*
83 *ment has been taken or effectuated, in accordance with such reason-*
84 *able specifications as may be prescribed by the sewerage authority,*
85 *which results in a reduction of the costs actually incurred by the*
86 *sewerage authority in making such connection below such costs*
87 *actually incurred in making such connections to property wherein*
88 *or whereon no such action or improvement has been taken or*
89 *effectuated. The amount of any such credit shall be equal to the*
90 *percentage difference between the costs actually incurred by the*
91 *sewerage authority in making such connection to a property*
92 *wherein or whereon such an action or improvement has been taken*
93 *or effectuated, and the average during the immediately preceding*
94 *year of such costs actually incurred by the sewerage authority in*
95 *making such connections to property wherein or whereon no such*
96 *action or improvement has been taken or effectuated* **].**

97 **[The sewerage authority shall give credit against the payment*
98 *of connection fees computed pursuant to this subsection for costs,*
99 *reasonably and actually incurred by the person paying the con-*
100 *nection fees, of improvements to the system or extensions of the*
101 *system into tracts of land, made in accordance with reasonable*
102 *specifications prescribed by the authority, whether required as a*
103 *condition of subdivision approval under the "Municipal Land Use*
104 *Law," P. L. 1975, c. 291 (C. 40:55D-1 et seq.) or otherwise. The*

105 *amount of the credit shall not exceed the amount of the connection*
106 *fees so computed.】**

107 (c) The sewerage authority shall prescribe and from time to
108 time when necessary revise a schedule of **【such】** service charges,
109 which shall comply the terms of any contract of the sewerage
110 authority and in any event shall be such that the revenues of the
111 sewerage authority will at all times be adequate to pay all ex-
112 penses of operation and maintenance of the sewerage system,
113 including reserves, insurance, extensions, and replacements, and
114 to pay punctually the principal of and interest on any bonds and
115 to maintain such reserves or sinking funds therefor as may be
116 required by the terms of any contract of the sewerage authority
117 or as may be deemed necessary or desirable by the sewerage
118 authority. Said schedule shall thus be prescribed and from time
119 to time revised by the sewerage authority after public hearing
120 thereon which shall be held by the sewerage authority at least
121 seven days after publication of notice of the proposed adjustment
122 of the service charges and of the time and place of the public
123 hearing in at least two newspapers of general circulation in the
124 area serviced by the authority. The sewerage authority shall pro-
125 vide evidence at the hearing showing that the proposed adjust-
126 ment of the service charges is necessary and reasonable, and shall
127 provide the opportunity for cross-examination of persons offering
128 such evidence, and a transcript of the hearing shall be made and
129 a copy thereof shall be available upon request to any interested
130 party at a reasonable fee. The sewerage authority shall likewise
131 fix and determine the time or times when and the place or places
132 where such service charges shall be due and payable and may
133 require that such service charges shall be paid in advance for
134 periods of not more than one year. A copy of such schedule of
135 service charges in effect shall at all times be kept on file at the
136 principal office of the sewerage authority and shall at all reason-
137 able times be open to public inspection.

138 (d) Any county sewerage authority may establish sewerage re-
139 gions in portions of the district. Rents, rates, fees and charges
140 which may be payable periodically, being in the nature of use or
141 service charges, shall as nearly as the sewerage authority shall
142 deem practical and equitable, be uniform throughout the district
143 for the same type, class and amount of use or service of the
144 sewage systems and shall meet all other requirements of sub-
145 section (b) hereof.

1 2. Section 21 of P. L. 1957, c. 183 (C. 40:14B-21) is amended
2 to read as follows:

3 21. Every municipal authority is hereby authorized to charge
4 and collect rents, rates, fees or other charges (in this act some-
5 times referred to as "water service charges") for direct or indirect
6 connection with, or the use, products or services of, the water
7 system, or for sale of water or water services, facilities or products.
8 Such water service charges may be charged to and collected from
9 any person contracting for such connection or use, products or
10 services or for such sale or from the owner or occupant, or both
11 of them, of any real property which directly or indirectly is or has
12 been connected with the water system or to which directly or
13 indirectly has been supplied or furnished such use, products or
14 services of the water system or water or water services, facilities
15 or products, and the owner of any such real property shall be liable
16 for and shall pay such water service charges to the municipal
17 authority at the time when and place where such water service
18 charges are due and payable. Such rents, rates, fees and charges
19 shall as nearly as the municipal authority shall deem practicable
20 and equitable be uniform throughout the district for the same type,
21 class and amount of use, products or service of the water system,
22 and may be based or computed either on the consumption of water
23 on or in connection with the real property, or on the number and
24 kind of water outlets on or in connection with the real property, or
25 on the number and kind of plumbing fixtures or facilities on or in
26 connection with the real property, or on the number of persons
27 residing or working on or otherwise connected or identified with the
28 real property, or on the capacity of the improvements on or con-
29 nected with the real property, or on any other factors determining
30 the type, class and amount of use, products or services of the water
31 system supplied or furnished, or on any combination of such
32 factors, and may give weight to the **characteristics** *characteris-*
33 *tics* of the water or water services, facilities or products and, as
34 to service outside the district, any other matter effecting the cost
35 of supplying or furnishing the same including the cost of installation
36 of necessary physical properties.

37 In addition to any such water service charges, a separate charge
38 in the nature of a connection fee or tapping fee, in respect of each
39 connection of any property with the water system may be imposed
40 **upon the person making such connection or** upon the owner or
41 occupant of the property so connected. Such connection charges
42 shall be uniform within each class of users and the amount thereof
43 shall not exceed the actual cost of the physical connection **plus an**
44 amount representing the fair contribution of the connecting party
45 toward the debt service charges on the bonds issued for the installa-

46 tion and construction of the water system previously paid by users
47 of the water system, in order that the], if made by the authority,
48 plus an amount computed in the following manner to represent a
49 fair payment toward the cost of the system:

50 a. The amount representing all debt service, including but not
51 limited to sinking funds, reserve funds, the principal and interest
52 on bonds, and the amount of any loans and interest thereon, paid
53 by a municipal authority to defray the capital cost of developing
54 the system as of the end of the immediately preceding fiscal year
55 of the authority shall be added to all capital expenditures made by
56 the authority not funded by a bond ordinance or debt for the de-
57 velopment of the system as of the end of the immediately preceding
58 fiscal year of the authority.

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

65 c. The remainder shall be divided by the total number of service
66 units served by the authority at the end of the immediately pre-
67 ceding fiscal year of the authority, and the results shall then be
68 apportioned to each new connector according to the number of ser-
69 vice units attributed to that connector, to produce the connector's
70 contribution to the cost of the system. In attributing service units
71 to each connector, the estimated average daily flow of water for
72 the connector shall be divided by the average daily flow of water
73 to the average single family residence in the authority's district,
74 to produce the number of service units to be attributed.

75 The connection fee shall be recomputed at the end of each fiscal
76 year of the authority, after a public hearing is held in the manner
77 prescribed in section 23 of P. L. 1957, c. 183 (C. 40:14B-23). The
78 revised connection fee may be imposed upon those who subsequently
79 connect in that fiscal year to the system. The combination of such
80 connection fee or tapping fee and the aforesaid water service
81 charges shall meet the requirements of section 23 (C. 40:14B-23).
82 The foregoing notwithstanding, no municipal authority shall impose
83 any charges or fees in excess of the cost of water actually used for
84 any sprinkler system required to be installed in any residential
85 health care facility pursuant to the "Health Care Facilities Plan-
86 ning Act," P. L. 1971, c. 136 (C. 26:2H-1 et seq.) and regulations
87 promulgated thereunder or in any rooming or boarding house
88 pursuant to the "Rooming and Boarding House Act of 1979,"

89 P. L. 1979, c. 496 (C. 55:13B-1 et al.) and regulations promulgated
90 thereunder. Nothing in this amendatory act shall preclude any
91 municipal authority from charging for the actual cost of water
92 main connection.

93 **[The municipal authority shall give credit against the payment*
94 *of connection fees computed pursuant to this section for costs,*
95 *reasonably and actually incurred by the person paying the con-*
96 *nection fees, of improvements to the system or extension of the*
97 *system into tracts of land, made in accordance with reasonable*
98 *specifications prescribed by the authority, whether required as a*
99 *condition of subdivision approval under the "Municipal Land Use*
100 *Law," P. L. 1975, c. 291 (C. 40:55D-1 et seq.) or otherwise. The*
101 *amount of the credit shall not exceed the amount of the connection*
102 *fees so computed.]**

1 3. Section 22 of P. L. 1957, c. 183 (C. 40:14B-22) is amended to
2 read as follows:

3 22. Every municipal authority is hereby authorized to charge
4 and collect rents, rates, fees or other charges (in this act sometimes
5 referred to as "sewer service charges") for direct or indirect
6 connection with, or the use or services of, the sewerage system.
7 Such sewer service charges may be charged to and collected from
8 any person contracting for such connection or use or services or
9 from the owner or occupant, or both of them, of any real property
10 which directly or indirectly is or has been connected with the
11 sewerage system or from or on which originates or has originated
12 sewage or other wastes which directly or indirectly have entered or
13 may enter the sewerage system, and the owner of any such real
14 property shall be liable for and shall pay such sewerage service
15 charges to the municipal authority at the time when and place
16 where such sewerage service charges are due and payable. Such
17 rents, rates, fees and charges, being in the nature of use or service
18 charges, shall as nearly as the municipal authority shall deem
19 practicable and equitable be uniform throughout the district for
20 the same type, class and amount of use or service of the sewerage
21 system, and may be based or computed either on the consumption
22 of water on or in connection with the real property, making due
23 allowance for commercial use of water, or on the number and kind
24 of water outlets on or in connection with the real property, or on
25 the number and kind of plumbing or sewerage fixtures or facilities
26 on or in connection with the real property, or on the number of
27 persons residing or working on or otherwise connected or identified
28 with the real property, or on the capacity of the improvements on
29 or connected with the real property, or on any other factors

30 determining the type, class and amount of use or service of the
 31 sewerage system, or on any combination of any such factors, and
 32 may give weight to the characteristics of the sewage and other
 33 wastes and any other special matter affecting the cost of treatment
 34 and disposal of the same, including chlorine demand, biochemical
 35 oxygen demand, concentration of solids and chemical composition,
 36 and, as to service outside the district, the cost of installation of
 37 necessary physical properties.

38 In addition to any such sewer service charges, a separate charge
 39 in the nature of a connection fee or tapping fee, in respect of each
 40 connection of any property with the sewerage system may be im-
 41 posed [upon the person making such connection or] upon the owner
 42 or occupant of the property so connected. Such connection charges
 43 shall be uniform within each class of users [but the amount thereof
 44 shall otherwise be entirely within the discretion of the authority in
 45 order that the], *and the amount thereof shall not exceed the actual*
 46 *cost of the physical connection, if made by the authority, plus an*
 47 *amount computed in the following manner to represent a fair pay-*
 48 *ment towards the cost of the system:*

49 *a. The amount representing all debt service, including but not*
 50 *limited to sinking funds, reserve funds, the principal and interest*
 51 *on bonds, and the amount of any loans and the interest thereon, paid*
 52 *by the municipal authority to defray the capital cost of developing*
 53 *the system as of the end of the immediately preceding fiscal year*
 54 *of the authority shall be added to all capital expenditures made by*
 55 *a municipal authority not funded by a bond ordinance or debt for*
 56 *the development of the system as of the end of the immediately pre-*
 57 *ceding fiscal year of the authority.*

58 *b. Any gifts, contributions or subsidies to the authority received*
 59 *from, and not reimbursed or reimburseable to, any federal, State,*
 60 *county or municipal government or agency or any private person,*
 61 *and that portion of amounts paid to the authority by a public entity*
 62 *under a service agreement or service contract which is not repaid to*
 63 *the public entity by the authority, shall then be subtracted.*

64 *c. The remainder shall be divided by the total number of service*
 65 *units served by the authority at the end of the immediately preced-*
 66 *ing fiscal year of the authority, and the results shall then be appor-*
 67 *tioned to each new connector according to the number of service*
 68 *units attributed to that connector. In attributing service units to*
 69 *each connector, the estimated average daily flow of sewage for the*
 70 *connector shall be divided by the average daily flow of sewage from*
 71 *the average single family residence in the authority's district, to*
 72 *produce the number of service units to be attributed.*

73 *The connection fee shall be recomputed at the end of each fiscal*
74 *year of the authority, after a public hearing is held in the manner*
75 *prescribed in section 23 of P. L. 1957, c. 183 (C. 40:14B-23). The*
76 *revised connection fee may be imposed upon those who subsequently*
77 *connect in that fiscal year to the system.*

78 *The combination of such connection fee or tapping fee and the*
79 *aforesaid sewer service charges shall meet the requirements of*
80 *section 23 [(C. 40:14B-23)].*

81 **[The municipal authority shall give credit against the payment*
82 *of connection fees computed pursuant to this section for costs, rea-*
83 *sonably and actually incurred by the person paying the connection*
84 *fees, of improvements to the system or extensions of the system into*
85 *tracts of land, made in accordance with reasonable specifications*
86 *prescribed by the authority, whether required as a condition of sub-*
87 *division approval under the "Municipal Land Use Law," P. L. 1975,*
88 *c. 291 (C. 40:55D-1 et seq.) or otherwise. The amount of the credit*
89 *shall not exceed the amount of the connection fees so computed.]**

1 4. This act shall take effect immediately.

73 *The connection fee shall be recomputed at the end of each fiscal*
 74 *year of the authority, after a public hearing is held in the manner*
 75 *prescribed in section 23 of P. L. 1957, c. 183 (C. 40:14B-23). The*
 76 *revised connection fee may be imposed upon those who subsequently*
 77 *connect in that fiscal year to the system.*

78 *The combination of such connection fee or tapping fee and the*
 79 *aforesaid sewer service charges shall meet the requirements of*
 80 *section 23 [(C. 40:14B-23)].*

81 *The municipal authority shall give credit against the payment of*
 82 *connection fees computed pursuant to this section for costs, reason-*
 83 *ably and actually incurred by the person paying the connection fees,*
 84 *of improvements to the system or extensions of the system into*
 85 *tracts of land, made in accordance with reasonable specifications*
 86 *prescribed by the authority, whether required as a condition of sub-*
 87 *division approval under the "Municipal Land Use Law," P. L. 1975,*
 88 *c. 291 (C. 40:55D-1 et seq.) or otherwise. The amount of the credit*
 89 *shall not exceed the amount of the connection fees so computed.*

1 4. This act shall take effect immediately.

STATEMENT

This bill amends the "sewerage authorities law," P. L. 1946, c. 138 (C. 40:14A-1 et seq.), and the "municipal and county utilities authorities law," P. L. 1957, c. 183 (C. 40:14B-1 et seq.) to provide a uniform formula for the calculation of connection fees to be charged for tapping into a sewerage system or water system. The bill applies only to sewerage and water systems maintained and operated by independent authorities which are created by one or more local units, and is not intended to apply to sewerage or water systems directly maintained and operated by these local units.

Under the uniform connection fee formula established by this bill, a connector would pay a charge based upon the actual cost of the physical connection, if made by the authority, plus a fair payment towards the cost of the system. The fair payment is to be computed by deducting from the total debt service and capital expenditures theretofore made by the authority, the amount of all gifts, contributions or subsidies received by the authority from any federal, State or local government or private person. The remainder is divided by the number of service units served by the system, and the results are apportioned to the connector based upon the number of service units attributed to him. The uniform formula follows the direction of the courts of this State that authorities may include, as part of a connection fee, an amount to represent a fair contribution by the

connection party toward the capital costs of the system met therefore by users of the system, but that the connection fees shall be uniform within each class of users.

In addition, the bill requires an authority to provide credit against connection fees for the costs of improvements to or extensions of the system maintained by the authority if these costs are incurred by the person paying the connection fees. This requirement is also consistent with principles enunciated by the courts of this State.

ASSEMBLY ENERGY AND NATURAL RESOURCES
COMMITTEE

STATEMENT TO

SENATE, No. 1487

STATE OF NEW JERSEY

DATED: DECEMBER 12, 1985

Senate Bill No. 1487 amends the "sewerage authorities law" (P. L. 1946, c. 138; C. 40:14A-1 et seq.), and the "municipal and county utilities authorities law" (P. L. 1957, c. 183; C. 40:14B-1 et seq.) to provide a uniform formula for the calculation of connection fees to be charged for tapping into a sewerage system or water system. The bill applies only to sewerage and water systems maintained and operated by independent authorities which are created by one or more local units, and is not intended to apply to sewerage or water systems directly maintained and operated by such local units.

Under the uniform connection fee formula established by this bill, a connector will pay a charge based upon the actual cost of the physical connection, if made by the authority, plus a fair payment towards the cost of the system. The fair payment is to be computed by deducting from the total debt service and capital expenditures previously made by the authority the amount of all gifts, contributions or subsidies received by the authority from any federal, State or local government or private person. The remainder is then divided by the number of service units served by the system, and the results are apportioned to the connector based upon the number of service units attributed to him.

The bill requires that, in attributing service units to a connector, the estimated daily flow of water or sewerage for the connector shall be divided by the average daily flow for an average single family home in the authority's district. This permits the authority to attribute a larger number of service units to a commercial building, for instance, than to a single family home. The authorities may include, as part of a connection fee, an amount to represent a fair contribution by the connecting party toward the capital costs of the system previously met by users of the system, but that the connection fees must be uniform within each class of users. In addition, the bill requires an authority to provide credit against connection fees for costs of improvements to, or extensions of, the system maintained by the authority if these costs are incurred by the person paying the connection fees.

The committee reported this bill favorably.

LG0032 OKU

XV-4/cy
6/17/85

Assembly Amendments
proposed by Assemblyman Albohn

to

ADOPTED

Senate Bill No. 1487
sponsored by Senator Dorsey

Amend:

JAN 6 1986

Page	Sec.	Line	
3-4	1	97- 106	Omit in their entirety.
7	2	93- 102	Omit in their entirety.
9	3	81-89	Omit in their entirety.

STATEMENT

This amendment deletes from the bill the requirement that an authority provide credit against connection fees for the costs of improvements to or extensions of the systems maintained by the authority when the costs are incurred by the person paying the connection fee.

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SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

SENATE, No. 1487

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1984

Senate Bill No. 1487 amends the "sewerage authorities law" (P. L. 1946, c. 138; C. 40:14A-1 et seq.), and the "municipal and county utilities authorities law" (P. L. 1957, c. 183; C. 40:14B-1 et seq.) to provide a uniform formula for the calculation of connection fees to be charged for tapping into a sewerage system or water system. The bill applies only to sewerage and water systems maintained and operated by independent authorities which are created by one or more local units, and is not intended to apply to sewerage or water systems directly maintained and operated by such local units.

The bill is intended as an extension of the principle, codified in the "Local Authorities Fiscal Control Law" (P. L. 1983, c. 313; C. 40A:5A-1 et seq.) that it is in the public interest to promote the fiscal integrity and stability of local authorities through State supervision of their financial operations. The bill is, therefore, intended to supplement, rather than contravene, the supervisory powers granted by the "Local Authorities Fiscal Control Law" to the Local Finance Board.

Under the uniform connection fee formula established by this bill, a connector will pay a charge based upon the actual cost of the physical connection, if made by the authority, plus a fair payment towards the cost of the system. The fair payment is to be computed by deducting from the total debt service and capital expenditures previously made by the authority the amount of all gifts, contributions or subsidies received by the authority from any federal, State or local government or private person. The remainder is then divided by the number of service units served by the system, and the results are apportioned to the connector based upon the number of service units attributed to him.

The bill requires that, in attributing service units to a connector, the estimated daily flow of water or sewerage for the connector shall be divided by the average daily flow for an average single family home in the authority's district. This permits the authority to attribute a larger number of service units to a commercial building, for instance, than to a single family home.

The uniform formula follows the direction of the courts of this State that authorities may include, as part of a connection fee, an amount to represent a fair contribution by the connecting party toward the capital costs of the system previously met by users of the system, but that the connection fees must be uniform within each class of users. This direction was handed down in the cases of *Airwick Industries, Inc. v. Carlstadt Sewerage Authority*, 57 N. J. 107 (1970), *app. disp. and cert. den.* 402 U. S. 697 (1971), *White Birch Realty Corp. v. Gloucester Tp. Mun. Util.*, 80 N. J. 165 (1979), and *U. S. Home Corp. v. West Monmouth Util. Auth.*, No. 27644-79 P. W. (N. J. Super., Law Div. August 4, 1980, *aff'd.*, No. A-357-80T2, (N. J. Super., App. Div. June 10, 1983,) *cert. den.* No. 21,512 (N. J., Sept. 7, 1983).

In addition, the bill requires an authority to provide credit against connection fees for costs of improvements to, or extensions of, the system maintained by the authority if these costs are incurred by the person paying the connection fees. This requirement is consistent with principles enunciated in the *White Birch* and *U. S. Home* decisions, and in the decisions in *Colonial Oaks West, Inc. v. Tp. of E. Brunswick*, 61 N. J. 560 (1972), and *S. S. & O. Corp. v. Tp. of Bernards Sewerage Authority* 62 N. J. 369 (1973).

The courts have held that, while a developer may be required to install service lines in order to avoid shifting his risk to an authority, the developer must be reimbursed for the installation costs as units come "on line" and the risk is proportionately reduced.

A-2003 Et al. Signed
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S-1487, sponsored by Senator John Dorsey, R-Morris, to mandate a formula for the calculation of connection fees to be charged to a developer for tapping into a sewerage system or water system.

S-1657, sponsored by Senator John Ewing, R-Somerset, to exempt food management contracts from the bidding requirements for school districts.

S-2350, sponsored by Senator Edward O'Connor, D-Hudson, to make a number of technical changes in the Banking Act of 1948.

S-3436, sponsored by Senator Carmen Orechio, D-Essex, to permit a member of the Public Employees' Retirement System who had discontinued service to retain membership in the system if he returns to service within 10 years and if he has not withdrawn his pension system contribution.

A-2963, sponsored by Assemblywoman Barbara Kalik, D-Burlington, to exempt from the fees imposed by the Worker and Community right to Know Act any employer who certifies that no hazardous substances are located within his facility.

A-3013, sponsored by Assemblyman Harry McEnroe, D-Essex, to permit a municipality acting as a redevelopment agency or a local housing authority to sell property to a private developer without requiring a right of first refusal be given to the municipality.

A-3188, sponsored by Assemblyman Eugene Thompson, D-Essex, to permit omnibuses to be equipped with flashing lights to warn others that an emergency exists on the vehicle.

A-3539, sponsored by Assemblyman John Doyle, D-Ocean, to remove certain municipal and county utilities authorities from the provisions of the Civil Service law.