



**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**  
To check for circulating copies, contact New Jersey State Government  
Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

RH/CL

P.L. 2018, CHAPTER 114, *approved August 24, 2018*  
Assembly, No. 4120

1 **AN ACT** concerning replacement of lead-contaminated water service  
2 line connections and amending various parts of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 3 of P.L.1957, c.183 (C.40:14B-3) is amended to  
8 read as follows:

9 3. As used in this act, unless a different meaning clearly  
10 appears from the context:

11 (1) "Municipality" shall mean any city of any class, any  
12 borough, village, town, township, or any other municipality other  
13 than a county or a school district, and except when used in section  
14 4, 5, 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any  
15 two or more thereof acting jointly or any joint meeting or other  
16 agency of any two or more thereof;

17 (2) "County" shall mean any county of any class;

18 (3) "Governing body" shall mean, in the case of a county, the  
19 board of chosen freeholders, or in the case of those counties  
20 organized pursuant to the provisions of the "Optional County  
21 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
22 chosen freeholders and the county executive, the county supervisor  
23 or the county manager, as appropriate, and, in the case of a  
24 municipality, the commission, council, board or body, by whatever  
25 name it may be known, having charge of the finances of the  
26 municipality;

27 (4) "Person" shall mean any person, association, corporation,  
28 nation, state or any agency or subdivision thereof, other than a  
29 county or municipality of the State or a municipal authority;

30 (5) "Municipal authority," "authority," or "water reclamation  
31 authority" shall mean a public body created or organized pursuant  
32 to section 4, 5 or 6 of this act and shall include a municipal utilities  
33 authority created by one or more municipalities and a county  
34 utilities authority created by a county;

35 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
36 this act, "district" shall mean the area within the territorial  
37 boundaries of the county, or of the municipality or municipalities,  
38 which created or joined in or caused the creation or organization of  
39 a municipal authority;

40 (7) "Local unit" shall mean the county, or any municipality,  
41 which created or joined in or caused the creation or organization of  
42 a municipal authority;

**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 (8) "Water system" shall mean the plants, structures and other  
2 real and personal property acquired, constructed or operated or to be  
3 acquired, constructed or operated by a municipal authority or by  
4 any person to whom a municipal authority has extended credit for  
5 this purpose for the purposes of the municipal authority, including  
6 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,  
7 pipelines, mains, pumping stations, water distribution systems,  
8 compensating reservoirs, waterworks or sources of water supply,  
9 wells, purification or filtration plants or other plants and works,  
10 connections, rights of flowage or division, and other plants,  
11 structures, boats, conveyances, and other real and personal property,  
12 and rights therein, and appurtenances necessary or useful and  
13 convenient for the accumulation, supply and redistribution of water.

14 The term "water system" shall include the replacement of service  
15 connections to a publicly-owned water system, from the distribution  
16 main onto privately-owned real property and into a privately-owned  
17 structure, when used in reference to a project undertaken for the  
18 purpose of replacing lead-contaminated service connections,  
19 regardless of possible private service connection ownership, so long  
20 as the project is (a) an environmental infrastructure project, as  
21 defined under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b)  
22 funded either by loans from the New Jersey Infrastructure Bank,  
23 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by  
24 loans issued through the Department of Environmental Protection;

25 (9) "Sewerage system" shall mean the plants, structures, on-site  
26 wastewater systems and other real and personal property acquired,  
27 constructed or operated or to be acquired, constructed, maintained  
28 or operated by a municipal authority or by any person to whom a  
29 municipal authority has extended credit for this purpose for the  
30 purposes of the municipal authority, including sewers, conduits,  
31 pipelines, mains, pumping and ventilating stations, sewage  
32 treatment or disposal systems, plants and works, connections,  
33 outfalls, compensating reservoirs, and other plants, structures,  
34 boats, conveyances, and other real and personal property, and rights  
35 therein, and appurtenances necessary or useful and convenient for  
36 the collection, treatment, purification or disposal in a sanitary  
37 manner of any sewage, liquid or solid wastes, night soil or  
38 industrial wastes;

39 (10) "Utility system" shall mean a water system, solid waste  
40 system, sewerage system, or a hydroelectric system or any  
41 combination of such systems, acquired, constructed or operated or  
42 to be acquired, constructed or operated by a municipal authority or  
43 by any person to whom a municipal authority has extended credit  
44 for this purpose;

45 (11) "Cost" shall mean, in addition to the usual connotations  
46 thereof, the cost of acquisition or construction of all or any part of a  
47 utility system and of all or any property, rights, easements,  
48 privileges, agreements and franchises deemed by the municipal

1 authority to be necessary or useful and convenient therefor or in  
2 connection therewith and the cost of retiring the present value of the  
3 unfunded accrued liability due and owing by a municipal authority,  
4 as calculated by the system actuary for a date certain upon the  
5 request of a municipal authority, for early retirement incentive  
6 benefits granted by the municipal authority pursuant to P.L.1991,  
7 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
8 cost of issuance of bonds, engineering and inspection costs and  
9 legal expenses, cost of financial, professional and other estimates  
10 and advice, organization, administrative, operating and other  
11 expenses of the municipal authority prior to and during such  
12 acquisition or construction, and all such other expenses as may be  
13 necessary or incident to the financing, acquisition, construction and  
14 completion of said utility system or part thereof and the placing of  
15 the same in operation, and also such provision or reserves for  
16 working capital, operating, maintenance or replacement expenses or  
17 for payment or security of principal of or interest on bonds during  
18 or after such acquisition or construction as the municipal authority  
19 may determine, and also reimbursements to the municipal authority  
20 or any county, municipality or other person of any moneys  
21 theretofore expended for the purposes of the municipal authority or  
22 to any county or municipality of any moneys theretofore expended  
23 for or in connection with water supply, solid waste, water  
24 distribution, sanitation or hydroelectric facilities;

25 (12) "Real property" shall mean lands both within or without the  
26 State, and improvements thereof or thereon, or any rights or  
27 interests therein;

28 (13) "Construct" and "construction" shall connote and include  
29 acts of construction, reconstruction, replacement, extension,  
30 improvement and betterment of a utility system;

31 (14) "Industrial wastes" shall mean liquid or other wastes  
32 resulting from any processes of industry, manufacture, trade or  
33 business or from the development of any natural resource, and shall  
34 include any chemical wastes or hazardous wastes;

35 (15) "Sewage" shall mean the water-carried wastes created in and  
36 carried, or to be carried, away from, or to be processed by on-site  
37 wastewater systems, residences, hotels, apartments, schools,  
38 hospitals, industrial establishments, or any other public or private  
39 building, together with such surface or ground water and industrial  
40 wastes and leacheate as may be present;

41 (16) "On-site wastewater system" means any of several facilities,  
42 septic tanks or other devices, used to collect, treat, reclaim, or  
43 dispose of wastewater or sewage on or adjacent to the property on  
44 which the wastewater or sewage is produced, or to convey such  
45 wastewater or sewage from said property to such facilities as the  
46 authority may establish for its disposal;

47 (17) "Pollution" means the condition of water resulting from the  
48 introduction therein of substances of a kind and in quantities

1 rendering it detrimental or immediately or potentially dangerous to  
2 the public health, or unfit for public or commercial use;

3 (18) "Bonds" shall mean bonds or other obligations issued  
4 pursuant to this act;

5 (19) "Service charges" shall mean water service charges, solid  
6 waste service charges, sewer service charges, hydroelectric service  
7 charges or any combination of such charges, as said terms are  
8 defined in section 21 or 22 of this act or in section 7 of this  
9 amendatory and supplementary act;

10 (20) "Compensating reservoir" shall mean the structures,  
11 facilities and appurtenances for the impounding, transportation and  
12 release of water for the replenishment in periods of drought or at  
13 other necessary times of all or a part of waters in or bordering the  
14 State diverted into a utility system operated by a municipal  
15 authority;

16 (21) "Sewage or water reclamation authority" shall mean a public  
17 body created pursuant to the "sewerage authorities law," P.L.1946,  
18 c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or  
19 supplemental thereto;

20 (22) "County sewer authority" shall mean a sanitary sewer  
21 district authority created pursuant to the act entitled "An act relating  
22 to the establishment of sewerage districts in first- and second-class  
23 counties, the creation of Sanitary Sewer District Authorities by the  
24 establishing of such districts, prescribing the powers and duties of  
25 any such authority and of other public bodies in connection with the  
26 construction of sewers and sewage disposal facilities in any such  
27 district, and providing the ways and means for paying the costs of  
28 construction and operation thereof," approved April 23, 1946  
29 (P.L.1946, c.123), or the acts amendatory thereof or supplemental  
30 thereto;

31 (23) "Chemical waste" shall mean a material normally generated  
32 by or used in chemical, petrochemical, plastic, pharmaceutical,  
33 biochemical or microbiological manufacturing processes or  
34 petroleum refining processes, which has been selected for waste  
35 disposal and which is known to hydrolyze, ionize or decompose,  
36 which is soluble, burns or oxidizes, or which may react with any of  
37 the waste materials which are introduced into the landfill, or which  
38 is buoyant on water, or which has a viscosity less than that of water  
39 or which produces a foul odor. Chemical waste may be either  
40 hazardous or nonhazardous;

41 (24) "Effluent" shall mean liquids which are treated in and  
42 discharged by sewage treatment plants;

43 (25) "Hazardous wastes" shall mean any waste or combination of  
44 waste which poses a present or potential threat to human health,  
45 living organisms or the environment. "Hazardous waste" shall  
46 include, but not be limited to, waste material that is toxic, corrosive,  
47 irritating, sensitizing, radioactive, biologically infectious, explosive  
48 or flammable;

1 (26) "Leachate" shall mean a liquid that has been in contact with  
2 solid waste and contains dissolved or suspended materials from that  
3 solid waste;

4 (27) "Recycling" shall mean the separation, collection,  
5 processing or recovery of metals, glass, paper, solid waste and other  
6 materials for reuse or for energy production and shall include  
7 resource recovery;

8 (28) "Sludge" shall mean any solid, semisolid, or liquid waste  
9 generated from a municipal, industrial or other sewage treatment  
10 plant, water supply treatment plant, or air pollution control facility,  
11 or any other such waste having similar characteristics and effects;  
12 "sludge" shall not include effluent;

13 (29) "Solid waste" shall mean garbage, refuse, and other  
14 discarded materials resulting from industrial, commercial and  
15 agricultural operations, and from domestic and community  
16 activities, and shall include all other waste materials including  
17 sludge, chemical waste, hazardous wastes and liquids, except for  
18 liquids which are treated in public sewage treatment plants and  
19 except for solid animal and vegetable wastes collected by swine  
20 producers licensed by the State Department of Agriculture to  
21 collect, prepare and feed such wastes to swine on their own farms;

22 (30) "Solid waste system" shall mean and include the plants,  
23 structures and other real and personal property acquired,  
24 constructed or operated or to be acquired, constructed or operated  
25 by an authority or by any person to whom a municipal authority has  
26 extended credit for this purpose pursuant to the provisions of this  
27 act, including transfer stations, incinerators, recycling facilities,  
28 including facilities for the generation, transmission and distribution  
29 of energy derived from the processing of solid waste, sanitary  
30 landfill facilities or other property or plants for the collection,  
31 recycling or disposal of solid waste and all vehicles, equipment and  
32 other real and personal property and rights thereon and  
33 appurtenances necessary or useful and convenient for the collection,  
34 recycling, or disposal of solid waste in a sanitary manner;

35 (31) "Hydroelectric system" shall mean the plants, structures and  
36 other real and personal property acquired, constructed or operated  
37 or to be acquired, constructed or operated by an authority pursuant  
38 to the provisions of this act, including all that which is necessary or  
39 useful and convenient for the generation, transmission and sale of  
40 hydroelectric power at wholesale;

41 (32) "Hydroelectric power" shall mean the production of electric  
42 current by the energy of moving water;

43 (33) "Sale of hydroelectric power at wholesale" shall mean any  
44 sale of hydroelectric power to any person for purposes of resale of  
45 such power;

46 (34) "Alternative electrical energy" shall mean electrical energy  
47 produced from solar, photovoltaic, wind, geothermal, or biomass

1 technologies, provided that in the case of biomass technology, the  
2 biomass is cultivated and harvested in a sustainable manner;

3 (35) "Alternative electrical energy system" shall mean any  
4 system which uses alternative electrical energy to provide all or a  
5 portion of the electricity for the heating, cooling, or general  
6 electrical energy needs of a building;

7 (36) "Pilot county" shall mean a county of the second class  
8 having a population between 280,000 and 290,000, a population  
9 between 510,000 and 520,000, and a population between 530,000  
10 and 540,000 according to the 2010 federal decennial census; and

11 (37) "Pilot county utilities authority" shall mean a county  
12 utilities authority in a county designated as a pilot county.

13 (cf: P.L.2013, c.190, s.3)

14

15 2. Section 20 of P.L.1957, c.183 (C.40:14B-20) is amended to  
16 read as follows:

17 20. Every municipal authority shall be a public body politic and  
18 corporate constituting a political subdivision of the State  
19 established as an instrumentality exercising public and essential  
20 governmental functions to provide for the public health and welfare  
21 and shall have perpetual succession and have the following powers:

22 (1) To adopt and have a common seal and to alter the same at  
23 pleasure;

24 (2) To sue and be sued;

25 (3) In the name of the municipal authority and on its behalf, to  
26 acquire, hold, use and dispose of its service charges and other  
27 revenues and other moneys;

28 (4) In the name of the municipal authority but for the local unit  
29 or units, to acquire, rent, hold, lease as lessor, use and dispose of  
30 other personal property for the purposes of the municipal authority;

31 (5) In the name of the municipal authority but for the local unit  
32 or units and subject to the limitations of this act, to acquire by  
33 purchase, gift, condemnation or otherwise, or lease as lessee, real  
34 property and easements therein, necessary or useful and convenient  
35 for the purposes of the municipal authority, and subject to  
36 mortgages, deeds of trust or other liens, or otherwise, and to hold,  
37 lease as lessor, and to use the same, and to dispose of property so  
38 acquired no longer necessary for the purposes of the municipal  
39 authority;

40 (6) To produce, develop, purchase, accumulate, distribute and  
41 sell water and water services, facilities and products within or  
42 without the district, provided that no water shall be sold at retail in  
43 any municipality or county without the district unless the governing  
44 body of such municipality or county shall have adopted a resolution  
45 requesting the municipal authority to sell water at retail in such  
46 municipality or county, and the board of public utility  
47 commissioners shall have approved such resolution as necessary  
48 and proper for the public convenience;



- 1 (7) To provide for and secure the payment of any bonds and the  
2 rights of the holders thereof, and to purchase, hold and dispose of  
3 any bonds;
- 4 (8) To accept gifts or grants of real or personal property, money,  
5 material, labor or supplies for the purposes of the municipal or  
6 county authority, and to make and perform such agreements and  
7 contracts as may be necessary or convenient in connection with the  
8 procuring, acceptance or disposition of such gifts or grants;
- 9 (9) To enter on any lands, waters or premises for the purpose of  
10 making surveys, borings, soundings and examinations for the  
11 purposes of the municipal authority, and whenever the operation of  
12 a septic tank or other component of an on-site wastewater system  
13 shall result in the creation of pollution or contamination source on  
14 private property such that under the provisions of R.S.26:3-49, a  
15 local board of health would have the authority to notify the owner  
16 and require said owner to abate the same, representatives of an  
17 authority shall have the power to enter, at all reasonable times, any  
18 premises on which such pollution or contamination source shall  
19 exist, for the purpose of inspecting, rehabilitating, securing samples  
20 of any discharges, improving, repairing, replacing, or upgrading  
21 such septic tank or other component of an on-site wastewater  
22 system;
- 23 (10) To establish an inspection program to be performed at least  
24 once every three years on all on-site wastewater systems installed  
25 within the district which inspection program shall contain the  
26 following minimum notice provisions: (i) not less than 30 days  
27 prior to the date of the inspection of any on-site wastewater system  
28 as described herein, the authority shall notify the owner and  
29 resident of the property that the inspection will occur; and (ii) not  
30 less than 60 days prior to the date of the performance of any work  
31 other than an inspection, the municipal authority shall provide  
32 notice to the owner and resident of the property in which the work  
33 will be performed. The notice to be provided to such owner and  
34 resident under this subsection shall include a description of the  
35 deficiency which necessitates the work and the proposed remedial  
36 action, and the proposed date for beginning and duration of the  
37 contemplated remedial action;
- 38 (11) To prepare and file in the office of the municipal authority  
39 records of all inspections, rehabilitation, maintenance, and work,  
40 performed with respect to on-site wastewater disposal systems;
- 41 (12) To make and enforce bylaws or rules and regulations for the  
42 management and regulation of its business and affairs and for the  
43 use, maintenance and operation of the utility system and any other  
44 of its properties, and to amend the same;
- 45 (13) To do and perform any acts and things authorized by this act  
46 under, through or by means of its own officers, agents and  
47 employees, or by contracts with any person;

1 (14) To enter into any and all contracts, execute any and all  
2 instruments, and do and perform any and all acts or things  
3 necessary, convenient or desirable for the purposes of the municipal  
4 authority or to carry out any power expressly given in this act  
5 subject to the "Local Public Contracts Law," P.L.1971, c.198  
6 (C.40A:11-1 et seq.);

7 (15) To extend credit or make loans to any person for the  
8 planning, designing, acquiring, constructing, reconstructing,  
9 improving, equipping, furnishing, and operating by that person of  
10 any part of a solid waste system, sewage treatment system,  
11 wastewater treatment or collection system for the provision of  
12 services and facilities within or without the district, which in the  
13 case of a solid waste system shall be in a manner consistent with the  
14 "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.)  
15 and in conformance with the solid waste management plans adopted  
16 by the solid waste management districts created therein. The  
17 credits or loans may be secured by loan and security agreements,  
18 mortgages, leases and any other instruments, upon such terms as the  
19 authority shall deem reasonable, including provision for the  
20 establishment and maintenance of reserve and insurance funds, and  
21 to require the inclusion in any mortgage, lease, contract, loan and  
22 security agreement or other instrument, provisions for the  
23 construction, use, operation and maintenance and financing of that  
24 part of the aforementioned systems as the authority may deem  
25 necessary or desirable;

26 (16) Upon the request of a customer: (i) to offer the customer the  
27 ability to receive or access, in electronic format, any periodic bill  
28 for service sent by the municipal authority to its customers and any  
29 additional information sent by the municipal authority to its  
30 customers as required by law, provided that any notice of  
31 disconnection, discontinuance or termination of service shall be  
32 sent to a customer in written form at the customer's legal mailing  
33 address in addition to being sent or being made available in  
34 electronic format; and (ii) to provide the customer the option of  
35 paying any such periodic bill via electronic means; **[and]**

36 (17) In the case of an authority that is a pilot county utilities  
37 authority, to fund improvements to county infrastructure pursuant to  
38 the provisions of subsection b. of section 40 of P.L.1957, c.183  
39 (C.40:14B-40); and

40 (18) To construct or reconstruct and finance service connections  
41 to a publicly-owned water system, from the distribution main onto  
42 privately-owned real property and into the privately-owned  
43 structure, for the purpose of replacing lead contaminated service  
44 connections, regardless of possible private service connection  
45 ownership, so long as the project is (a) undertaken as an  
46 environmental infrastructure project, as defined under section 3 of  
47 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from  
48 the New Jersey Infrastructure Bank, created pursuant to section 4 of

1 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
2 Department of Environmental Protection.

3 (cf: P.L.2013, c.190, s.5)

4

5 3. R.S.40:56-1 is amended to read as follows:

6 R.S.40:56-1. A local improvement is one, the cost of which, or a  
7 portion thereof, may be assessed upon the lands in the vicinity  
8 thereof benefited thereby.

9 Any municipality may undertake any of the following works as a  
10 local improvement; and the governing body thereof may make,  
11 amend, repeal and enforce ordinances for carrying into effect all  
12 powers granted in this section:

13 a. The laying out, opening or establishing of a new street,  
14 alley, or other public highway, or portion thereof.

15 b. The widening, straightening, extension, alteration or  
16 changing in any manner of the location of a street, alley or other  
17 public highway, or portion thereof.

18 c. The grading or alteration of the grade of a street, alley or  
19 other public highway, or portion thereof.

20 d. The paving, repaving, or otherwise improving or  
21 reimproving a street, alley or other public highway, or portion  
22 thereof.

23 e. The curbing or recurbing, guttering or reguttering of a  
24 sidewalk in, upon, or along a street, alley or other public highway,  
25 or portion thereof.

26 f. The construction, reconstruction, improvement and  
27 reimprovement of bridges and viaducts.

28 g. The construction, reconstruction, improvement,  
29 reimprovement or relocation of a public walk or driveway on any  
30 beach, or along the ocean or any river or other waterway.

31 h. The improvement or reimprovement of any beach or water  
32 front, and the providing of suitable protection to prevent damage to  
33 lands or property by the ocean or other waters, including the filing  
34 in and grading necessary for the protection of such improvements.

35 i. The construction, reconstruction, enlargement or extension  
36 of a sewer or drain in, under or along a street, alley or public  
37 highway, or portion thereof, or in, under or along any public or  
38 private lands; the construction, reconstruction, enlargement or  
39 extension of a system of sewerage or drainage or both combined;  
40 the construction, reconstruction, enlargement or extension of a  
41 system of drainage of the marshes and wet lowlands within the  
42 municipality; the construction, reconstruction, enlargement or  
43 alteration of a system of works for the sanitary disposal of sewage  
44 or drainage.

45 j. (1) The installation of service connections to a system of  
46 water, gas, light, heat or power works owned by a municipality or  
47 otherwise, including all such works as may be necessary for  
48 supplying water, gas, light, heat or power to real estate for whose

1 benefit such services are provided. This authorization includes, but  
2 shall not be limited to, the installation of service connections to a  
3 publicly-owned water system, from the distribution main onto  
4 privately-owned real property and into the privately-owned  
5 structure, for the purpose of replacing lead-contaminated service  
6 connections, regardless of possible private service connection  
7 ownership, so long as the project is (a) undertaken as an  
8 environmental infrastructure project, as defined under section 3 of  
9 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from  
10 the New Jersey Infrastructure Bank, created pursuant to section 4 of  
11 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
12 Department of Environmental Protection;

13 (2) The installation of service connections including the laying,  
14 construction or placing of mains, conduits or cables in, under or  
15 along a street, alley or other public highway or portion thereof.

16 k. The construction, reconstruction, enlargement or extension  
17 of any water main or other works for the distribution of water  
18 supplied by the State or any of its political subdivisions, or any  
19 public agency of any of the same.

20 l. The installation of such lighting standards, appliances and  
21 appurtenances as may be required for the brilliant illumination of  
22 the streets in those parts of the municipality where the governing  
23 body of the municipality may deem it necessary or proper to  
24 establish what is commonly called a "white way."

25 m. The widening, deepening or improvement of any stream,  
26 creek, river or other waterway.

27 n. The removal of obstructions in, and the constructing,  
28 reconstructing, enlarging or extending of any waterway, of  
29 enclosing walls, or of a pipe or conduit or any brook or  
30 watercourse, or part of same.

31 o. The defining of the location and the establishment of widths,  
32 grades and elevations of any stream, creek, river or other waterway,  
33 and the preventing of encroachments upon the same.

34 p. The reclaiming, filling and improving and bulkheading and  
35 filling in lands lying under tidal or other water, in whole or in part,  
36 within the municipality; the reclaiming or filling or bulkheading  
37 and filling those lands or lands adjacent to such reclaimed or filled  
38 lands; to dredge channels or improve harbor approaches in the  
39 waters abounding the lands to be reclaimed, filled and improved, or  
40 bulkheaded and filled; provided, the approval of the Planning and  
41 Development Council of the Division of Planning and Development  
42 in the Department of Conservation and Economic Development of  
43 the State of New Jersey, and when necessary, the permission of the  
44 Federal authorities in charge of the district port in which the  
45 improvements are proposed to be made, to improve and dredge  
46 channels and construct and improve the harbor approaches to those  
47 lands, shall be first had and obtained.

1       The governing body may enter into agreements with the Federal  
2 Government for reimbursement to the municipality for all or a  
3 portion of the cost of dredging channels or improving harbor  
4 approaches in waters under the jurisdiction of the Federal  
5 Government.

6       If any portion of the amount assessed against the lands within the  
7 municipality for the improvement shall be reimbursed to the  
8 municipality by the Federal Government after the assessment has  
9 been made, then a credit shall be made on each assessment levied  
10 in proportion to the amount so received from the Federal  
11 Government; provided, the amount received by the municipality  
12 from the Federal Government shall be in excess of the amount  
13 fixed in the assessment to be borne by the municipality at large.

14       If any portion of the land included within lands benefited or  
15 improved by any work done in connection with the reclaiming,  
16 filling or bulkheading and filling shall be riparian lands or lands  
17 under water, for which the riparian grant has not theretofore been  
18 made by the State, the municipal board or body authorized to make  
19 assessments for improvements in accordance with this subtitle may  
20 include in any such assessment a prospective assessment against the  
21 riparian lands or lands under water, and a copy of such prospective  
22 assessment shall be filed with the Planning and Development  
23 Council of the Division of Planning and Development in the  
24 Department of Conservation and Economic Development of the  
25 State of New Jersey and shall be a part of the records of that  
26 council. Upon the sale or grant by the State of the riparian rights to  
27 any such lands for which a prospective assessment has been filed  
28 with the council, the amount of such prospective assessment  
29 together with interest at the rate of five per centum (5%) per annum  
30 from the time of the confirmation of the assessment for the  
31 improvement shall be included by said Planning and Development  
32 Council in the purchase price fixed for such lands and made a part  
33 of the payment for the grant, and the amount of the assessment with  
34 interest, when paid, shall be turned over by said Planning and  
35 Development Council to the municipality making the assessment.  
36 Such prospective assessment shall also be included in the general  
37 assessment for and against any such riparian lands or lands under  
38 water for which an annual rental or fee is being charged or collected  
39 by said Planning and Development Council under any agreement by  
40 which the fee of any such riparian lands is passed, and when the  
41 fee does so pass by grant from the State the prospective assessment  
42 shall become immediately due and payable, together with interest  
43 thereon at the rate of five per centum (5%) per annum from the  
44 time of the confirmation of the assessment for the improvement  
45 and the assessment shall become a lien upon those lands until paid  
46 and shall be collectible as other liens for public improvements in  
47 the municipality. Should said Planning and Development Council  
48 lease for a term of years any such riparian lands or lands under

1 water, included within lands benefited or improved by any work  
2 done in connection with the reclaiming, filling or bulkheading and  
3 filling, it shall include in the annual rental to be charged therefor  
4 one-tenth of the amount of the prospective assessment for each  
5 year of the term not exceeding ten years until the prospective  
6 assessment and the interest thereon at the rate of five per centum  
7 (5%) per annum from the time of confirmation of the assessment for  
8 the improvement, shall be paid. If the lease shall be for a period  
9 less than ten years, such provision shall be contained in any and all  
10 extensions and renewals thereof, or in any new leases until the full  
11 prospective assessment with such interest shall have been paid.  
12 Nothing contained in this subparagraph shall apply to lands owned  
13 by a company whose rates are subject to regulation by the Board of  
14 Public Utility Commissioners.

15 Whenever convenient more than one of the works provided for in  
16 this section may be carried on as one improvement. Any  
17 municipality may undertake any or all of the works mentioned in  
18 this section as a general improvement to be paid for by general  
19 taxation, and any municipality may provide for the maintenance,  
20 repair and operation of any or all of said works by taxation whether  
21 the same are undertaken as local or general improvements.

22 (cf: P.L.1951, c.175, s.1)

23

24 4. N.J.S.40A:2-22 is amended to read as follows:

25 40A:2-22. The governing body of the local unit shall determine  
26 the period of usefulness of any purpose according to its reasonable  
27 life computed from the date of the bonds, which period shall not be  
28 greater than the following:

29 a. Buildings and structures.

30 1. Bridges, including retaining walls and approaches, or  
31 permanent structures of brick, stone, concrete or metal, or similar  
32 durable construction, 30 years.

33 2. Buildings, including the original furnishings and equipment  
34 therefor:

35 Class A: A building, of which all walls, floors, partitions, stairs  
36 and roof are wholly of incombustible material, except the window  
37 frames, doors, top flooring and wooden handrails on the stairs, 40  
38 years;

39 Class B: A building, the outer walls of which are wholly of  
40 incombustible material, except the window frames and doors, 30  
41 years;

42 Class C: A building which does not meet the requirements of  
43 Class A or Class B, 20 years.

44 3. Buildings or structures acquired substantially reconstructed  
45 or additions thereto, one-half the period fixed in this subsection for  
46 such buildings or structures.

47 4. Additional furnishings, five years.

48 b. Marine improvements.

- 1       1. Harbor improvements, docks or marine terminals, 40 years.
- 2       2. Dikes, bulkheads, jetties or similar devices of stone,
- 3 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 4       c. Additional equipment and machinery.
- 5       1. Additional or replacement equipment and machinery, 15
- 6 years.
- 7       2. Voting machines, 15 years.
- 8       3. Information technology and telecommunications equipment,
- 9 7 years, except that for items with a unit cost of less than \$5,000, 5
- 10 years.
- 11       d. Real property.
- 12       1. Acquisition for any public purpose of lands or riparian
- 13 rights, or both, and the original dredging, grading, draining or
- 14 planting thereof, 40 years.
- 15       2. Improvement of airport, cemetery, golf course, park,
- 16 playground, 15 years.
- 17       3. Stadia of concrete or other incombustible materials, 20
- 18 years.
- 19       e. Streets or thoroughfares.
- 20       1. Elimination of grade crossings, 35 years.
- 21       2. Streets or roads:
- 22       Class A: Rigid pavement. A pavement of not less than eight
- 23 inches of cement concrete or a six-inch cement concrete base with
- 24 not less than three-inch bituminous concrete surface course, or
- 25 equivalent wearing surface, 20 years.
- 26       Flexible pavement. A pavement not less than 10 inches in depth
- 27 consisting of five-inch macadam base, three-inch modified
- 28 penetration macadam and three-inch bituminous concrete surface
- 29 course or other pavements of equivalent strength, in accordance
- 30 with the findings of the American Association of State Highway
- 31 Officials (AASHO) Road Test, 20 years.
- 32       Class B: Mixed surface-treated road. An eight-inch surface of
- 33 gravel, stone or other selected material under partial control mixed
- 34 with cement or lime and fly ash, six inches in compacted thickness
- 35 with bituminous surface treatment and cover, 10 years.
- 36       Bituminous penetration road. A five-inch gravel or stone base
- 37 course and a three-inch course bound with a bituminous or
- 38 equivalent binder, 10 years.
- 39       Class C: Mixed bituminous road. An eight-inch surface of
- 40 gravel, stone, or other selected material under partial control mixed
- 41 with bituminous material one inch or more in compacted thickness,
- 42 five years.
- 43       Penetration macadam road. A road of sand, gravel or water-
- 44 bound macadam, or surfacing with penetration macadam, five years.
- 45       3. Sidewalks, curbs and gutters of stone, concrete or brick, 10
- 46 years.
- 47       The period of usefulness in this subsection shall apply to
- 48 construction and reconstruction of streets and thoroughfares.

- 1 f. Utilities and municipal systems.
- 2 1. Sewerage system, whether sanitary or storm water, water  
3 supply or distribution system, 40 years.
- 4 2. Electric light, power or gas systems, garbage, refuse or ashes  
5 incinerator or disposal plant, 25 years.
- 6 3. Communication and signal systems, 10 years.
- 7 4. House connections to publicly-owned gas, water or sewerage  
8 systems from the service main in the street to the curb or property  
9 lines where not part of original installation, five years.
- 10 5. House connections to publicly-owned water systems, from  
11 the distribution main onto privately-owned real property and into  
12 the privately-owned structure, for the purpose of replacing lead-  
13 contaminated house connections, so long as the project is (a)  
14 undertaken as an environmental infrastructure project, as defined  
15 under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b) funded  
16 either by loans from the New Jersey Infrastructure Bank, created  
17 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans  
18 issued through the Department of Environmental Protection, 30  
19 years.
- 20 g. Vehicles and apparatus.
- 21 1. Fire engines, apparatus and equipment, when purchased  
22 new, but not fire equipment purchased separately, 10 years.
- 23 2. Automotive vehicles, including original apparatus and  
24 equipment (other than passenger cars and station wagons), when  
25 purchased new, five years.
- 26 3. Major repairs, reconditioning or overhaul of fire engines and  
27 apparatus, ambulances, rescue vehicles, and similar public safety  
28 vehicles (other than passenger cars and station wagons) which may  
29 reasonably be expected to extend for at least five years the period of  
30 usefulness thereof, five years.
- 31 h. The closure of a sanitary landfill facility utilized, owned or  
32 operated by a county or municipality, 15 years; provided that the  
33 closure has been approved by the Board of Public Utilities and the  
34 Department of Environmental Protection. For the purposes of this  
35 subsection "closure" means all activities associated with the design,  
36 purchase or construction of all measures required by the  
37 Department of Environmental Protection, pursuant to law, in order  
38 to prevent, minimize or monitor pollution or health hazards  
39 resulting from sanitary landfill facilities subsequent to the  
40 termination of operations at any portion thereof, including, but not  
41 necessarily limited to, the costs of the placement of earthen or  
42 vegetative cover, and the installation of methane gas vents or  
43 monitors and leachate monitoring wells or collection systems at the  
44 site of any sanitary landfill facility.
- 45 i. (Deleted by amendment, P.L.2007, c.62.)
- 46 j. The prefunding of a claims account for environmental  
47 liability claims by an environmental impairment liability insurance



1 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.  
2 (cf: P.L.2007, c.62, s.17)

3

4 5. N.J.S.40A:31-3 is amended to read as follows:

5 40A:31-3. As used in this act:

6 a. "Bonds" means bond anticipation notes or bonds issued in  
7 accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq.

8 b. "Cost" as applied to water supply facilities or extensions or  
9 additions thereto, means the cost of acquisition or the construction,  
10 including improvement, reconstruction, extension or enlargement,  
11 the cost of all labor materials, machinery and equipment, the cost of  
12 all lands, property, rights and easements acquired, the cost of  
13 demolition or removal of any buildings or structures thereon,  
14 financing charges, interest on bonds issued to finance water supply  
15 facilities prior to and during construction, the cost of plans and  
16 specifications, surveys or estimates of costs and revenues, the cost  
17 of engineering, legal services, and any other expenses necessary or  
18 incident to determining the feasibility of construction,  
19 administrative expenses and such other expenses as may be  
20 necessary or incident to the construction or acquisition of water  
21 supply facilities, and the financing thereof.

22 c. "Local unit" means a county or municipality.

23 d. "Water supply facilities" means the plants, structures or  
24 other real and personal property acquired, constructed or operated,  
25 or to be financed, acquired, constructed or operated, or any parts  
26 thereof, including reservoirs, basins, dams, canals, aqueducts,  
27 standpipes, conduits, pipelines, mains, pumping stations, water  
28 distribution systems, compensating reservoirs, waterworks, or  
29 sources of water supply, well, purification or filtration plants, or  
30 other plants or works, connections, rights of flowage or diversion,  
31 and other plants, structures, boats, conveyances and other real and  
32 personal property, or rights therein, and appurtenances necessary or  
33 useful for the accumulation, supply or distribution of water.  
34 Source: C.40:14C-3 (P.L.1979, c.451, s.3).

35 The term "water supply facilities" includes the replacement of  
36 service connections to a publicly-owned water system, from the  
37 distribution main onto privately-owned real property and into a  
38 privately-owned structure, when used in reference to a project  
39 undertaken for the purpose of replacing lead-contaminated service  
40 connections, regardless of possible private service connection  
41 ownership, so long as the project is (1) an environmental  
42 infrastructure project, as defined under section 3 of P.L.1985, c.334  
43 (C.58:11B-3), and (2) funded either by loans from the New Jersey  
44 Infrastructure Bank, created pursuant to section 4 of P.L.1985,  
45 c.334 (C.58:11B-4), or by loans issued through the Department of  
46 Environmental Protection.

47 (cf: P.L.1989, c.109, s.1)

1       6. This act shall take effect immediately.

2

3

4

STATEMENT

5

6       This bill would authorize municipalities to levy special  
7 assessments, and issue bonds, to replace certain lead-contaminated  
8 water service lines.

9       Pursuant to R.S.40:56-1, if a municipality engages in a project  
10 that is categorized as a "local improvement," the municipality may  
11 assess the cost of the project on local property owners in the  
12 vicinity who benefit from the project. This bill adjusts language in  
13 R.S.40:56-1 to ensure that the replacement of certain lead-  
14 contaminated home service connections fall within this category,  
15 allowing those projects to be assessed as local improvements.

16       The bill would also amend N.J.S.40A:2-22, a section of the  
17 "Local Bond Law," to permit municipalities and counties to issue  
18 30-year bonds to fund the replacement of lead-contaminated house  
19 connections to publicly-owned water systems. Specifically, these  
20 bonds would fund replacement of lead-contaminated house  
21 connections from the distribution main onto privately-owned real  
22 property, and into the privately-owned structure.

23       The bill also amends the "County and Municipal Water Supply  
24 Act," N.J.S.40A:31-1 et seq., and the "municipal and county  
25 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to  
26 provide that the public entities operating under those laws are not  
27 prevented from undertaking projects to replace lead-contaminated  
28 service connections, regardless of possible private service  
29 connection ownership.

30       The provisions of this bill only would apply to service line  
31 replacement projects that are: (1) undertaken as environmental  
32 infrastructure projects, as defined under section 3 of P.L.1985,  
33 c.334 (C.58:11B-3); and (2) funded either by loans from the New  
34 Jersey Infrastructure Bank, created pursuant to section 4 of  
35 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
36 Department of Environmental Protection.

37

38

39

40

41       \_\_\_\_\_  
42       Authorizes special assessments and bond issuance to replace  
lead-contaminated water service lines.

# ASSEMBLY, No. 4120

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 7, 2018

**Sponsored by:**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex)**

**Assemblywoman CLEOPATRA G. TUCKER**

**District 28 (Essex)**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

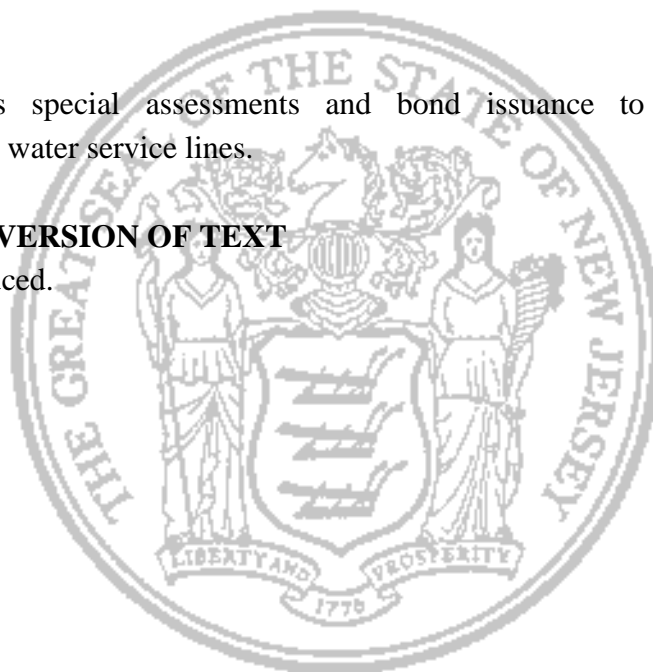
**Assemblywoman Sumter, Assemblyman Benson, Assemblywoman McKnight, Assemblyman Gusciora, Assemblywoman Pinkin and Senator Greenstein**

**SYNOPSIS**

Authorizes special assessments and bond issuance to replace lead-contaminated water service lines.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/26/2018)**

1 AN ACT concerning replacement of lead-contaminated water service  
2 line connections and amending various parts of the statutory law.

3

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

6

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

9 3. As used in this act, unless a different meaning clearly  
10 appears from the context:

11 (1) "Municipality" shall mean any city of any class, any  
12 borough, village, town, township, or any other municipality other  
13 than a county or a school district, and except when used in section  
14 4, 5, 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any  
15 two or more thereof acting jointly or any joint meeting or other  
16 agency of any two or more thereof;

17 (2) "County" shall mean any county of any class;

18 (3) "Governing body" shall mean, in the case of a county, the  
19 board of chosen freeholders, or in the case of those counties  
20 organized pursuant to the provisions of the "Optional County  
21 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
22 chosen freeholders and the county executive, the county supervisor  
23 or the county manager, as appropriate, and, in the case of a  
24 municipality, the commission, council, board or body, by whatever  
25 name it may be known, having charge of the finances of the  
26 municipality;

27 (4) "Person" shall mean any person, association, corporation,  
28 nation, state or any agency or subdivision thereof, other than a  
29 county or municipality of the State or a municipal authority;

30 (5) "Municipal authority," "authority," or "water reclamation  
31 authority" shall mean a public body created or organized pursuant  
32 to section 4, 5 or 6 of this act and shall include a municipal utilities  
33 authority created by one or more municipalities and a county  
34 utilities authority created by a county;

35 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
36 this act, "district" shall mean the area within the territorial  
37 boundaries of the county, or of the municipality or municipalities,  
38 which created or joined in or caused the creation or organization of  
39 a municipal authority;

40 (7) "Local unit" shall mean the county, or any municipality,  
41 which created or joined in or caused the creation or organization of  
42 a municipal authority;

43 (8) "Water system" shall mean the plants, structures and other  
44 real and personal property acquired, constructed or operated or to be  
45 acquired, constructed or operated by a municipal authority or by

**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 any person to whom a municipal authority has extended credit for  
2 this purpose for the purposes of the municipal authority, including  
3 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,  
4 pipelines, mains, pumping stations, water distribution systems,  
5 compensating reservoirs, waterworks or sources of water supply,  
6 wells, purification or filtration plants or other plants and works,  
7 connections, rights of flowage or division, and other plants,  
8 structures, boats, conveyances, and other real and personal property,  
9 and rights therein, and appurtenances necessary or useful and  
10 convenient for the accumulation, supply and redistribution of water.

11 The term "water system" shall include the replacement of service  
12 connections to a publicly-owned water system, from the distribution  
13 main onto privately-owned real property and into a privately-owned  
14 structure, when used in reference to a project undertaken for the  
15 purpose of replacing lead-contaminated service connections,  
16 regardless of possible private service connection ownership, so long  
17 as the project is (a) an environmental infrastructure project, as  
18 defined under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b)  
19 funded either by loans from the New Jersey Infrastructure Bank,  
20 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by  
21 loans issued through the Department of Environmental Protection;

22 (9) "Sewerage system" shall mean the plants, structures, on-site  
23 wastewater systems and other real and personal property acquired,  
24 constructed or operated or to be acquired, constructed, maintained  
25 or operated by a municipal authority or by any person to whom a  
26 municipal authority has extended credit for this purpose for the  
27 purposes of the municipal authority, including sewers, conduits,  
28 pipelines, mains, pumping and ventilating stations, sewage  
29 treatment or disposal systems, plants and works, connections,  
30 outfalls, compensating reservoirs, and other plants, structures,  
31 boats, conveyances, and other real and personal property, and rights  
32 therein, and appurtenances necessary or useful and convenient for  
33 the collection, treatment, purification or disposal in a sanitary  
34 manner of any sewage, liquid or solid wastes, night soil or  
35 industrial wastes;

36 (10) "Utility system" shall mean a water system, solid waste  
37 system, sewerage system, or a hydroelectric system or any  
38 combination of such systems, acquired, constructed or operated or  
39 to be acquired, constructed or operated by a municipal authority or  
40 by any person to whom a municipal authority has extended credit  
41 for this purpose;

42 (11) "Cost" shall mean, in addition to the usual connotations  
43 thereof, the cost of acquisition or construction of all or any part of a  
44 utility system and of all or any property, rights, easements,  
45 privileges, agreements and franchises deemed by the municipal  
46 authority to be necessary or useful and convenient therefor or in  
47 connection therewith and the cost of retiring the present value of the  
48 unfunded accrued liability due and owing by a municipal authority,

1 as calculated by the system actuary for a date certain upon the  
2 request of a municipal authority, for early retirement incentive  
3 benefits granted by the municipal authority pursuant to P.L.1991,  
4 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
5 cost of issuance of bonds, engineering and inspection costs and  
6 legal expenses, cost of financial, professional and other estimates  
7 and advice, organization, administrative, operating and other  
8 expenses of the municipal authority prior to and during such  
9 acquisition or construction, and all such other expenses as may be  
10 necessary or incident to the financing, acquisition, construction and  
11 completion of said utility system or part thereof and the placing of  
12 the same in operation, and also such provision or reserves for  
13 working capital, operating, maintenance or replacement expenses or  
14 for payment or security of principal of or interest on bonds during  
15 or after such acquisition or construction as the municipal authority  
16 may determine, and also reimbursements to the municipal authority  
17 or any county, municipality or other person of any moneys  
18 theretofore expended for the purposes of the municipal authority or  
19 to any county or municipality of any moneys theretofore expended  
20 for or in connection with water supply, solid waste, water  
21 distribution, sanitation or hydroelectric facilities;

22 (12) "Real property" shall mean lands both within or without the  
23 State, and improvements thereof or thereon, or any rights or  
24 interests therein;

25 (13) "Construct" and "construction" shall connote and include  
26 acts of construction, reconstruction, replacement, extension,  
27 improvement and betterment of a utility system;

28 (14) "Industrial wastes" shall mean liquid or other wastes  
29 resulting from any processes of industry, manufacture, trade or  
30 business or from the development of any natural resource, and shall  
31 include any chemical wastes or hazardous wastes;

32 (15) "Sewage" shall mean the water-carried wastes created in and  
33 carried, or to be carried, away from, or to be processed by on-site  
34 wastewater systems, residences, hotels, apartments, schools,  
35 hospitals, industrial establishments, or any other public or private  
36 building, together with such surface or ground water and industrial  
37 wastes and leacheate as may be present;

38 (16) "On-site wastewater system" means any of several facilities,  
39 septic tanks or other devices, used to collect, treat, reclaim, or  
40 dispose of wastewater or sewage on or adjacent to the property on  
41 which the wastewater or sewage is produced, or to convey such  
42 wastewater or sewage from said property to such facilities as the  
43 authority may establish for its disposal;

44 (17) "Pollution" means the condition of water resulting from the  
45 introduction therein of substances of a kind and in quantities  
46 rendering it detrimental or immediately or potentially dangerous to  
47 the public health, or unfit for public or commercial use;

- 1 (18) "Bonds" shall mean bonds or other obligations issued  
2 pursuant to this act;
- 3 (19) "Service charges" shall mean water service charges, solid  
4 waste service charges, sewer service charges, hydroelectric service  
5 charges or any combination of such charges, as said terms are  
6 defined in section 21 or 22 of this act or in section 7 of this  
7 amendatory and supplementary act;
- 8 (20) "Compensating reservoir" shall mean the structures,  
9 facilities and appurtenances for the impounding, transportation and  
10 release of water for the replenishment in periods of drought or at  
11 other necessary times of all or a part of waters in or bordering the  
12 State diverted into a utility system operated by a municipal  
13 authority;
- 14 (21) "Sewage or water reclamation authority" shall mean a public  
15 body created pursuant to the "sewerage authorities law," P.L.1946,  
16 c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or  
17 supplemental thereto;
- 18 (22) "County sewer authority" shall mean a sanitary sewer  
19 district authority created pursuant to the act entitled "An act relating  
20 to the establishment of sewerage districts in first- and second-class  
21 counties, the creation of Sanitary Sewer District Authorities by the  
22 establishing of such districts, prescribing the powers and duties of  
23 any such authority and of other public bodies in connection with the  
24 construction of sewers and sewage disposal facilities in any such  
25 district, and providing the ways and means for paying the costs of  
26 construction and operation thereof," approved April 23, 1946  
27 (P.L.1946, c.123), or the acts amendatory thereof or supplemental  
28 thereto;
- 29 (23) "Chemical waste" shall mean a material normally generated  
30 by or used in chemical, petrochemical, plastic, pharmaceutical,  
31 biochemical or microbiological manufacturing processes or  
32 petroleum refining processes, which has been selected for waste  
33 disposal and which is known to hydrolize, ionize or decompose,  
34 which is soluble, burns or oxidizes, or which may react with any of  
35 the waste materials which are introduced into the landfill, or which  
36 is buoyant on water, or which has a viscosity less than that of water  
37 or which produces a foul odor. Chemical waste may be either  
38 hazardous or nonhazardous;
- 39 (24) "Effluent" shall mean liquids which are treated in and  
40 discharged by sewage treatment plants;
- 41 (25) "Hazardous wastes" shall mean any waste or combination of  
42 waste which poses a present or potential threat to human health,  
43 living organisms or the environment. "Hazardous waste" shall  
44 include, but not be limited to, waste material that is toxic, corrosive,  
45 irritating, sensitizing, radioactive, biologically infectious, explosive  
46 or flammable;

- 1 (26) "Leachate" shall mean a liquid that has been in contact with  
2 solid waste and contains dissolved or suspended materials from that  
3 solid waste;
- 4 (27) "Recycling" shall mean the separation, collection,  
5 processing or recovery of metals, glass, paper, solid waste and other  
6 materials for reuse or for energy production and shall include  
7 resource recovery;
- 8 (28) "Sludge" shall mean any solid, semisolid, or liquid waste  
9 generated from a municipal, industrial or other sewage treatment  
10 plant, water supply treatment plant, or air pollution control facility,  
11 or any other such waste having similar characteristics and effects;  
12 "sludge" shall not include effluent;
- 13 (29) "Solid waste" shall mean garbage, refuse, and other  
14 discarded materials resulting from industrial, commercial and  
15 agricultural operations, and from domestic and community  
16 activities, and shall include all other waste materials including  
17 sludge, chemical waste, hazardous wastes and liquids, except for  
18 liquids which are treated in public sewage treatment plants and  
19 except for solid animal and vegetable wastes collected by swine  
20 producers licensed by the State Department of Agriculture to  
21 collect, prepare and feed such wastes to swine on their own farms;
- 22 (30) "Solid waste system" shall mean and include the plants,  
23 structures and other real and personal property acquired,  
24 constructed or operated or to be acquired, constructed or operated  
25 by an authority or by any person to whom a municipal authority has  
26 extended credit for this purpose pursuant to the provisions of this  
27 act, including transfer stations, incinerators, recycling facilities,  
28 including facilities for the generation, transmission and distribution  
29 of energy derived from the processing of solid waste, sanitary  
30 landfill facilities or other property or plants for the collection,  
31 recycling or disposal of solid waste and all vehicles, equipment and  
32 other real and personal property and rights thereon and  
33 appurtenances necessary or useful and convenient for the collection,  
34 recycling, or disposal of solid waste in a sanitary manner;
- 35 (31) "Hydroelectric system" shall mean the plants, structures and  
36 other real and personal property acquired, constructed or operated  
37 or to be acquired, constructed or operated by an authority pursuant  
38 to the provisions of this act, including all that which is necessary or  
39 useful and convenient for the generation, transmission and sale of  
40 hydroelectric power at wholesale;
- 41 (32) "Hydroelectric power" shall mean the production of electric  
42 current by the energy of moving water;
- 43 (33) "Sale of hydroelectric power at wholesale" shall mean any  
44 sale of hydroelectric power to any person for purposes of resale of  
45 such power;
- 46 (34) "Alternative electrical energy" shall mean electrical energy  
47 produced from solar, photovoltaic, wind, geothermal, or biomass



1 technologies, provided that in the case of biomass technology, the  
2 biomass is cultivated and harvested in a sustainable manner;

3 (35) "Alternative electrical energy system" shall mean any  
4 system which uses alternative electrical energy to provide all or a  
5 portion of the electricity for the heating, cooling, or general  
6 electrical energy needs of a building;

7 (36) "Pilot county" shall mean a county of the second class  
8 having a population between 280,000 and 290,000, a population  
9 between 510,000 and 520,000, and a population between 530,000  
10 and 540,000 according to the 2010 federal decennial census; and

11 (37) "Pilot county utilities authority" shall mean a county  
12 utilities authority in a county designated as a pilot county.

13 (cf: P.L.2013, c.190, s.3)

14

15 2. Section 20 of P.L.1957, c.183 (C.40:14B-20) is amended to  
16 read as follows:

17 20. Every municipal authority shall be a public body politic and  
18 corporate constituting a political subdivision of the State  
19 established as an instrumentality exercising public and essential  
20 governmental functions to provide for the public health and welfare  
21 and shall have perpetual succession and have the following powers:

22 (1) To adopt and have a common seal and to alter the same at  
23 pleasure;

24 (2) To sue and be sued;

25 (3) In the name of the municipal authority and on its behalf, to  
26 acquire, hold, use and dispose of its service charges and other  
27 revenues and other moneys;

28 (4) In the name of the municipal authority but for the local unit  
29 or units, to acquire, rent, hold, lease as lessor, use and dispose of  
30 other personal property for the purposes of the municipal authority;

31 (5) In the name of the municipal authority but for the local unit  
32 or units and subject to the limitations of this act, to acquire by  
33 purchase, gift, condemnation or otherwise, or lease as lessee, real  
34 property and easements therein, necessary or useful and convenient  
35 for the purposes of the municipal authority, and subject to  
36 mortgages, deeds of trust or other liens, or otherwise, and to hold,  
37 lease as lessor, and to use the same, and to dispose of property so  
38 acquired no longer necessary for the purposes of the municipal  
39 authority;

40 (6) To produce, develop, purchase, accumulate, distribute and  
41 sell water and water services, facilities and products within or  
42 without the district, provided that no water shall be sold at retail in  
43 any municipality or county without the district unless the governing  
44 body of such municipality or county shall have adopted a resolution  
45 requesting the municipal authority to sell water at retail in such  
46 municipality or county, and the board of public utility  
47 commissioners shall have approved such resolution as necessary  
48 and proper for the public convenience;

- 1 (7) To provide for and secure the payment of any bonds and the  
2 rights of the holders thereof, and to purchase, hold and dispose of  
3 any bonds;
- 4 (8) To accept gifts or grants of real or personal property, money,  
5 material, labor or supplies for the purposes of the municipal or  
6 county authority, and to make and perform such agreements and  
7 contracts as may be necessary or convenient in connection with the  
8 procuring, acceptance or disposition of such gifts or grants;
- 9 (9) To enter on any lands, waters or premises for the purpose of  
10 making surveys, borings, soundings and examinations for the  
11 purposes of the municipal authority, and whenever the operation of  
12 a septic tank or other component of an on-site wastewater system  
13 shall result in the creation of pollution or contamination source on  
14 private property such that under the provisions of R.S.26:3-49, a  
15 local board of health would have the authority to notify the owner  
16 and require said owner to abate the same, representatives of an  
17 authority shall have the power to enter, at all reasonable times, any  
18 premises on which such pollution or contamination source shall  
19 exist, for the purpose of inspecting, rehabilitating, securing samples  
20 of any discharges, improving, repairing, replacing, or upgrading  
21 such septic tank or other component of an on-site wastewater  
22 system;
- 23 (10) To establish an inspection program to be performed at least  
24 once every three years on all on-site wastewater systems installed  
25 within the district which inspection program shall contain the  
26 following minimum notice provisions: (i) not less than 30 days  
27 prior to the date of the inspection of any on-site wastewater system  
28 as described herein, the authority shall notify the owner and  
29 resident of the property that the inspection will occur; and (ii) not  
30 less than 60 days prior to the date of the performance of any work  
31 other than an inspection, the municipal authority shall provide  
32 notice to the owner and resident of the property in which the work  
33 will be performed. The notice to be provided to such owner and  
34 resident under this subsection shall include a description of the  
35 deficiency which necessitates the work and the proposed remedial  
36 action, and the proposed date for beginning and duration of the  
37 contemplated remedial action;
- 38 (11) To prepare and file in the office of the municipal authority  
39 records of all inspections, rehabilitation, maintenance, and work,  
40 performed with respect to on-site wastewater disposal systems;
- 41 (12) To make and enforce bylaws or rules and regulations for the  
42 management and regulation of its business and affairs and for the  
43 use, maintenance and operation of the utility system and any other  
44 of its properties, and to amend the same;
- 45 (13) To do and perform any acts and things authorized by this act  
46 under, through or by means of its own officers, agents and  
47 employees, or by contracts with any person;

1 (14) To enter into any and all contracts, execute any and all  
2 instruments, and do and perform any and all acts or things  
3 necessary, convenient or desirable for the purposes of the municipal  
4 authority or to carry out any power expressly given in this act  
5 subject to the "Local Public Contracts Law," P.L.1971, c.198  
6 (C.40A:11-1 et seq.);

7 (15) To extend credit or make loans to any person for the  
8 planning, designing, acquiring, constructing, reconstructing,  
9 improving, equipping, furnishing, and operating by that person of  
10 any part of a solid waste system, sewage treatment system,  
11 wastewater treatment or collection system for the provision of  
12 services and facilities within or without the district, which in the  
13 case of a solid waste system shall be in a manner consistent with the  
14 "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.)  
15 and in conformance with the solid waste management plans adopted  
16 by the solid waste management districts created therein. The  
17 credits or loans may be secured by loan and security agreements,  
18 mortgages, leases and any other instruments, upon such terms as the  
19 authority shall deem reasonable, including provision for the  
20 establishment and maintenance of reserve and insurance funds, and  
21 to require the inclusion in any mortgage, lease, contract, loan and  
22 security agreement or other instrument, provisions for the  
23 construction, use, operation and maintenance and financing of that  
24 part of the aforementioned systems as the authority may deem  
25 necessary or desirable;

26 (16) Upon the request of a customer: (i) to offer the customer the  
27 ability to receive or access, in electronic format, any periodic bill  
28 for service sent by the municipal authority to its customers and any  
29 additional information sent by the municipal authority to its  
30 customers as required by law, provided that any notice of  
31 disconnection, discontinuance or termination of service shall be  
32 sent to a customer in written form at the customer's legal mailing  
33 address in addition to being sent or being made available in  
34 electronic format; and (ii) to provide the customer the option of  
35 paying any such periodic bill via electronic means; **[and]**

36 (17) In the case of an authority that is a pilot county utilities  
37 authority, to fund improvements to county infrastructure pursuant to  
38 the provisions of subsection b. of section 40 of P.L.1957, c.183  
39 (C.40:14B-40); and

40 (18) To construct or reconstruct and finance service connections  
41 to a publicly-owned water system, from the distribution main onto  
42 privately-owned real property and into the privately-owned  
43 structure, for the purpose of replacing lead contaminated service  
44 connections, regardless of possible private service connection  
45 ownership, so long as the project is (a) undertaken as an  
46 environmental infrastructure project, as defined under section 3 of  
47 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from  
48 the New Jersey Infrastructure Bank, created pursuant to section 4 of

1 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
2 Department of Environmental Protection.

3 (cf: P.L.2013, c.190, s.5)

4

5 3. R.S.40:56-1 is amended to read as follows:

6 R.S.40:56-1. A local improvement is one, the cost of which, or a  
7 portion thereof, may be assessed upon the lands in the vicinity  
8 thereof benefited thereby.

9 Any municipality may undertake any of the following works as a  
10 local improvement; and the governing body thereof may make,  
11 amend, repeal and enforce ordinances for carrying into effect all  
12 powers granted in this section:

13 a. The laying out, opening or establishing of a new street,  
14 alley, or other public highway, or portion thereof.

15 b. The widening, straightening, extension, alteration or  
16 changing in any manner of the location of a street, alley or other  
17 public highway, or portion thereof.

18 c. The grading or alteration of the grade of a street, alley or  
19 other public highway, or portion thereof.

20 d. The paving, repaving, or otherwise improving or  
21 reimproving a street, alley or other public highway, or portion  
22 thereof.

23 e. The curbing or recurbing, guttering or reguttering of a  
24 sidewalk in, upon, or along a street, alley or other public highway,  
25 or portion thereof.

26 f. The construction, reconstruction, improvement and  
27 reimprovement of bridges and viaducts.

28 g. The construction, reconstruction, improvement,  
29 reimprovement or relocation of a public walk or driveway on any  
30 beach, or along the ocean or any river or other waterway.

31 h. The improvement or reimprovement of any beach or water  
32 front, and the providing of suitable protection to prevent damage to  
33 lands or property by the ocean or other waters, including the filing  
34 in and grading necessary for the protection of such improvements.

35 i. The construction, reconstruction, enlargement or extension  
36 of a sewer or drain in, under or along a street, alley or public  
37 highway, or portion thereof, or in, under or along any public or  
38 private lands; the construction, reconstruction, enlargement or  
39 extension of a system of sewerage or drainage or both combined;  
40 the construction, reconstruction, enlargement or extension of a  
41 system of drainage of the marshes and wet lowlands within the  
42 municipality; the construction, reconstruction, enlargement or  
43 alteration of a system of works for the sanitary disposal of sewage  
44 or drainage.

45 j. (1) The installation of service connections to a system of  
46 water, gas, light, heat or power works owned by a municipality or  
47 otherwise, including all such works as may be necessary for  
48 supplying water, gas, light, heat or power to real estate for whose

1 benefit such services are provided. This authorization includes, but  
2 shall not be limited to, the installation of service connections to a  
3 publicly-owned water system, from the distribution main onto  
4 privately-owned real property and into the privately-owned  
5 structure, for the purpose of replacing lead-contaminated service  
6 connections, regardless of possible private service connection  
7 ownership, so long as the project is (a) undertaken as an  
8 environmental infrastructure project, as defined under section 3 of  
9 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from  
10 the New Jersey Infrastructure Bank, created pursuant to section 4 of  
11 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
12 Department of Environmental Protection;

13 (2) The installation of service connections including the laying,  
14 construction or placing of mains, conduits or cables in, under or  
15 along a street, alley or other public highway or portion thereof.

16 k. The construction, reconstruction, enlargement or extension  
17 of any water main or other works for the distribution of water  
18 supplied by the State or any of its political subdivisions, or any  
19 public agency of any of the same.

20 l. The installation of such lighting standards, appliances and  
21 appurtenances as may be required for the brilliant illumination of  
22 the streets in those parts of the municipality where the governing  
23 body of the municipality may deem it necessary or proper to  
24 establish what is commonly called a "white way."

25 m. The widening, deepening or improvement of any stream,  
26 creek, river or other waterway.

27 n. The removal of obstructions in, and the constructing,  
28 reconstructing, enlarging or extending of any waterway, of  
29 enclosing walls, or of a pipe or conduit or any brook or  
30 watercourse, or part of same.

31 o. The defining of the location and the establishment of widths,  
32 grades and elevations of any stream, creek, river or other waterway,  
33 and the preventing of encroachments upon the same.

34 p. The reclaiming, filling and improving and bulkheading and  
35 filling in lands lying under tidal or other water, in whole or in part,  
36 within the municipality; the reclaiming or filling or bulkheading  
37 and filling those lands or lands adjacent to such reclaimed or filled  
38 lands; to dredge channels or improve harbor approaches in the  
39 waters abounding the lands to be reclaimed, filled and improved, or  
40 bulkheaded and filled; provided, the approval of the Planning and  
41 Development Council of the Division of Planning and Development  
42 in the Department of Conservation and Economic Development of  
43 the State of New Jersey, and when necessary, the permission of the  
44 Federal authorities in charge of the district port in which the  
45 improvements are proposed to be made, to improve and dredge  
46 channels and construct and improve the harbor approaches to those  
47 lands, shall be first had and obtained.

1       The governing body may enter into agreements with the Federal  
2 Government for reimbursement to the municipality for all or a  
3 portion of the cost of dredging channels or improving harbor  
4 approaches in waters under the jurisdiction of the Federal  
5 Government.

6       If any portion of the amount assessed against the lands within the  
7 municipality for the improvement shall be reimbursed to the  
8 municipality by the Federal Government after the assessment has  
9 been made, then a credit shall be made on each assessment levied  
10 in proportion to the amount so received from the Federal  
11 Government; provided, the amount received by the municipality  
12 from the Federal Government shall be in excess of the amount  
13 fixed in the assessment to be borne by the municipality at large.

14       If any portion of the land included within lands benefited or  
15 improved by any work done in connection with the reclaiming,  
16 filling or bulkheading and filling shall be riparian lands or lands  
17 under water, for which the riparian grant has not theretofore been  
18 made by the State, the municipal board or body authorized to make  
19 assessments for improvements in accordance with this subtitle may  
20 include in any such assessment a prospective assessment against the  
21 riparian lands or lands under water, and a copy of such prospective  
22 assessment shall be filed with the Planning and Development  
23 Council of the Division of Planning and Development in the  
24 Department of Conservation and Economic Development of the  
25 State of New Jersey and shall be a part of the records of that  
26 council. Upon the sale or grant by the State of the riparian rights to  
27 any such lands for which a prospective assessment has been filed  
28 with the council, the amount of such prospective assessment  
29 together with interest at the rate of five per centum (5%) per annum  
30 from the time of the confirmation of the assessment for the  
31 improvement shall be included by said Planning and Development  
32 Council in the purchase price fixed for such lands and made a part  
33 of the payment for the grant, and the amount of the assessment with  
34 interest, when paid, shall be turned over by said Planning and  
35 Development Council to the municipality making the assessment.  
36 Such prospective assessment shall also be included in the general  
37 assessment for and against any such riparian lands or lands under  
38 water for which an annual rental or fee is being charged or collected  
39 by said Planning and Development Council under any agreement by  
40 which the fee of any such riparian lands is passed, and when the  
41 fee does so pass by grant from the State the prospective assessment  
42 shall become immediately due and payable, together with interest  
43 thereon at the rate of five per centum (5%) per annum from the  
44 time of the confirmation of the assessment for the improvement  
45 and the assessment shall become a lien upon those lands until paid  
46 and shall be collectible as other liens for public improvements in  
47 the municipality. Should said Planning and Development Council  
48 lease for a term of years any such riparian lands or lands under

1 water, included within lands benefited or improved by any work  
2 done in connection with the reclaiming, filling or bulkheading and  
3 filling, it shall include in the annual rental to be charged therefor  
4 one-tenth of the amount of the prospective assessment for each  
5 year of the term not exceeding ten years until the prospective  
6 assessment and the interest thereon at the rate of five per centum  
7 (5%) per annum from the time of confirmation of the assessment for  
8 the improvement, shall be paid. If the lease shall be for a period  
9 less than ten years, such provision shall be contained in any and all  
10 extensions and renewals thereof, or in any new leases until the full  
11 prospective assessment with such interest shall have been paid.  
12 Nothing contained in this subparagraph shall apply to lands owned  
13 by a company whose rates are subject to regulation by the Board of  
14 Public Utility Commissioners.

15 Whenever convenient more than one of the works provided for in  
16 this section may be carried on as one improvement. Any  
17 municipality may undertake any or all of the works mentioned in  
18 this section as a general improvement to be paid for by general  
19 taxation, and any municipality may provide for the maintenance,  
20 repair and operation of any or all of said works by taxation whether  
21 the same are undertaken as local or general improvements.

22 (cf: P.L.1951, c.175, s.1)

23

24 4. N.J.S.40A:2-22 is amended to read as follows:

25 40A:2-22. The governing body of the local unit shall determine  
26 the period of usefulness of any purpose according to its reasonable  
27 life computed from the date of the bonds, which period shall not be  
28 greater than the following:

29 a. Buildings and structures.

30 1. Bridges, including retaining walls and approaches, or  
31 permanent structures of brick, stone, concrete or metal, or similar  
32 durable construction, 30 years.

33 2. Buildings, including the original furnishings and equipment  
34 therefor:

35 Class A: A building, of which all walls, floors, partitions, stairs  
36 and roof are wholly of incombustible material, except the window  
37 frames, doors, top flooring and wooden handrails on the stairs, 40  
38 years;

39 Class B: A building, the outer walls of which are wholly of  
40 incombustible material, except the window frames and doors, 30  
41 years;

42 Class C: A building which does not meet the requirements of  
43 Class A or Class B, 20 years.

44 3. Buildings or structures acquired substantially reconstructed  
45 or additions thereto, one-half the period fixed in this subsection for  
46 such buildings or structures.

47 4. Additional furnishings, five years.

48 b. Marine improvements.

**A4120 PINTOR MARIN, TUCKER**

14

- 1 1. Harbor improvements, docks or marine terminals, 40 years.
- 2 2. Dikes, bulkheads, jetties or similar devices of stone,
- 3 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 4 c. Additional equipment and machinery.
- 5 1. Additional or replacement equipment and machinery, 15
- 6 years.
- 7 2. Voting machines, 15 years.
- 8 3. Information technology and telecommunications equipment,
- 9 7 years, except that for items with a unit cost of less than \$5,000, 5
- 10 years.
- 11 d. Real property.
- 12 1. Acquisition for any public purpose of lands or riparian
- 13 rights, or both, and the original dredging, grading, draining or
- 14 planting thereof, 40 years.
- 15 2. Improvement of airport, cemetery, golf course, park,
- 16 playground, 15 years.
- 17 3. Stadia of concrete or other incombustible materials, 20
- 18 years.
- 19 e. Streets or thoroughfares.
- 20 1. Elimination of grade crossings, 35 years.
- 21 2. Streets or roads:
- 22 Class A: Rigid pavement. A pavement of not less than eight
- 23 inches of cement concrete or a six-inch cement concrete base with
- 24 not less than three-inch bituminous concrete surface course, or
- 25 equivalent wearing surface, 20 years.
- 26 Flexible pavement. A pavement not less than 10 inches in depth
- 27 consisting of five-inch macadam base, three-inch modified
- 28 penetration macadam and three-inch bituminous concrete surface
- 29 course or other pavements of equivalent strength, in accordance
- 30 with the findings of the American Association of State Highway
- 31 Officials (AASHO) Road Test, 20 years.
- 32 Class B: Mixed surface-treated road. An eight-inch surface of
- 33 gravel, stone or other selected material under partial control mixed
- 34 with cement or lime and fly ash, six inches in compacted thickness
- 35 with bituminous surface treatment and cover, 10 years.
- 36 Bituminous penetration road. A five-inch gravel or stone base
- 37 course and a three-inch course bound with a bituminous or
- 38 equivalent binder, 10 years.
- 39 Class C: Mixed bituminous road. An eight-inch surface of
- 40 gravel, stone, or other selected material under partial control mixed
- 41 with bituminous material one inch or more in compacted thickness,
- 42 five years.
- 43 Penetration macadam road. A road of sand, gravel or water-
- 44 bound macadam, or surfacing with penetration macadam, five years.
- 45 3. Sidewalks, curbs and gutters of stone, concrete or brick, 10
- 46 years.
- 47 The period of usefulness in this subsection shall apply to
- 48 construction and reconstruction of streets and thoroughfares.



- 1 f. Utilities and municipal systems.
- 2 1. Sewerage system, whether sanitary or storm water, water  
3 supply or distribution system, 40 years.
- 4 2. Electric light, power or gas systems, garbage, refuse or ashes  
5 incinerator or disposal plant, 25 years.
- 6 3. Communication and signal systems, 10 years.
- 7 4. House connections to publicly-owned gas, water or sewerage  
8 systems from the service main in the street to the curb or property  
9 lines where not part of original installation, five years.
- 10 5. House connections to publicly-owned water systems, from  
11 the distribution main onto privately-owned real property and into  
12 the privately-owned structure, for the purpose of replacing lead-  
13 contaminated house connections, so long as the project is (a)  
14 undertaken as an environmental infrastructure project, as defined  
15 under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b) funded  
16 either by loans from the New Jersey Infrastructure Bank, created  
17 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans  
18 issued through the Department of Environmental Protection, 30  
19 years.
- 20 g. Vehicles and apparatus.
- 21 1. Fire engines, apparatus and equipment, when purchased  
22 new, but not fire equipment purchased separately, 10 years.
- 23 2. Automotive vehicles, including original apparatus and  
24 equipment (other than passenger cars and station wagons), when  
25 purchased new, five years.
- 26 3. Major repairs, reconditioning or overhaul of fire engines and  
27 apparatus, ambulances, rescue vehicles, and similar public safety  
28 vehicles (other than passenger cars and station wagons) which may  
29 reasonably be expected to extend for at least five years the period of  
30 usefulness thereof, five years.
- 31 h. The closure of a sanitary landfill facility utilized, owned or  
32 operated by a county or municipality, 15 years; provided that the  
33 closure has been approved by the Board of Public Utilities and the  
34 Department of Environmental Protection. For the purposes of this  
35 subsection "closure" means all activities associated with the design,  
36 purchase or construction of all measures required by the  
37 Department of Environmental Protection, pursuant to law, in order  
38 to prevent, minimize or monitor pollution or health hazards  
39 resulting from sanitary landfill facilities subsequent to the  
40 termination of operations at any portion thereof, including, but not  
41 necessarily limited to, the costs of the placement of earthen or  
42 vegetative cover, and the installation of methane gas vents or  
43 monitors and leachate monitoring wells or collection systems at the  
44 site of any sanitary landfill facility.
- 45 i. (Deleted by amendment, P.L.2007, c.62.)
- 46 j. The prefunding of a claims account for environmental  
47 liability claims by an environmental impairment liability insurance

1 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.  
2 (cf: P.L.2007, c.62, s.17)

3

4 5. N.J.S.40A:31-3 is amended to read as follows:

5 40A:31-3. As used in this act:

6 a. "Bonds" means bond anticipation notes or bonds issued in  
7 accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq.

8 b. "Cost" as applied to water supply facilities or extensions or  
9 additions thereto, means the cost of acquisition or the construction,  
10 including improvement, reconstruction, extension or enlargement,  
11 the cost of all labor materials, machinery and equipment, the cost of  
12 all lands, property, rights and easements acquired, the cost of  
13 demolition or removal of any buildings or structures thereon,  
14 financing charges, interest on bonds issued to finance water supply  
15 facilities prior to and during construction, the cost of plans and  
16 specifications, surveys or estimates of costs and revenues, the cost  
17 of engineering, legal services, and any other expenses necessary or  
18 incident to determining the feasibility of construction,  
19 administrative expenses and such other expenses as may be  
20 necessary or incident to the construction or acquisition of water  
21 supply facilities, and the financing thereof.

22 c. "Local unit" means a county or municipality.

23 d. "Water supply facilities" means the plants, structures or  
24 other real and personal property acquired, constructed or operated,  
25 or to be financed, acquired, constructed or operated, or any parts  
26 thereof, including reservoirs, basins, dams, canals, aqueducts,  
27 standpipes, conduits, pipelines, mains, pumping stations, water  
28 distribution systems, compensating reservoirs, waterworks, or  
29 sources of water supply, well, purification or filtration plants, or  
30 other plants or works, connections, rights of flowage or diversion,  
31 and other plants, structures, boats, conveyances and other real and  
32 personal property, or rights therein, and appurtenances necessary or  
33 useful for the accumulation, supply or distribution of water.  
34 Source: C.40:14C-3 (P.L.1979, c.451, s.3).

35 The term "water supply facilities" includes the replacement of  
36 service connections to a publicly-owned water system, from the  
37 distribution main onto privately-owned real property and into a  
38 privately-owned structure, when used in reference to a project  
39 undertaken for the purpose of replacing lead-contaminated service  
40 connections, regardless of possible private service connection  
41 ownership, so long as the project is (1) an environmental  
42 infrastructure project, as defined under section 3 of P.L.1985, c.334  
43 (C.58:11B-3), and (2) funded either by loans from the New Jersey  
44 Infrastructure Bank, created pursuant to section 4 of P.L.1985,  
45 c.334 (C.58:11B-4), or by loans issued through the Department of  
46 Environmental Protection.

47 (cf: P.L.1989, c.109, s.1)

1       6. This act shall take effect immediately.

2

3

4

STATEMENT

5

6       This bill would authorize municipalities to levy special  
7 assessments, and issue bonds, to replace certain lead-contaminated  
8 water service lines.

9       Pursuant to R.S.40:56-1, if a municipality engages in a project  
10 that is categorized as a "local improvement," the municipality may  
11 assess the cost of the project on local property owners in the  
12 vicinity who benefit from the project. This bill adjusts language in  
13 R.S.40:56-1 to ensure that the replacement of certain lead-  
14 contaminated home service connections fall within this category,  
15 allowing those projects to be assessed as local improvements.

16       The bill would also amend N.J.S.40A:2-22, a section of the  
17 "Local Bond Law," to permit municipalities and counties to issue  
18 30-year bonds to fund the replacement of lead-contaminated house  
19 connections to publicly-owned water systems. Specifically, these  
20 bonds would fund replacement of lead-contaminated house  
21 connections from the distribution main onto privately-owned real  
22 property, and into the privately-owned structure.

23       The bill also amends the "County and Municipal Water Supply  
24 Act," N.J.S.40A:31-1 et seq., and the "municipal and county  
25 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to  
26 provide that the public entities operating under those laws are not  
27 prevented from undertaking projects to replace lead-contaminated  
28 service connections, regardless of possible private service  
29 connection ownership.

30       The provisions of this bill only would apply to service line  
31 replacement projects that are: (1) undertaken as environmental  
32 infrastructure projects, as defined under section 3 of P.L.1985,  
33 c.334 (C.58:11B-3); and (2) funded either by loans from the New  
34 Jersey Infrastructure Bank, created pursuant to section 4 of  
35 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
36 Department of Environmental Protection.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4120

# STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Assembly Budget Committee reports favorably Assembly Bill No. 4120.

This bill would authorize municipalities to levy special assessments, and issue bonds, to replace certain lead-contaminated water service lines.

Pursuant to R.S.40:56-1, if a municipality engages in a project that is categorized as a "local improvement," the municipality may assess the cost of the project on local property owners in the vicinity who benefit from the project. This bill adjusts language in R.S.40:56-1 to ensure that the replacement of certain lead-contaminated home service connections fall within this category, allowing those projects to be assessed as local improvements.

The bill would also amend N.J.S.40A:2-22, a section of the "Local Bond Law," to permit municipalities and counties to issue 30-year bonds to fund the replacement of lead-contaminated house connections to publicly-owned water systems. Specifically, these bonds would fund replacement of lead-contaminated house connections from the distribution main onto privately-owned real property, and into the privately-owned structure.

The bill also amends the "County and Municipal Water Supply Act," N.J.S.40A:31-1 et seq., and the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to provide that the public entities operating under those laws are not prevented from undertaking projects to replace lead-contaminated service connections, regardless of possible private service connection ownership.

The provisions of this bill only would apply to service line replacement projects that are: (1) undertaken as environmental infrastructure projects, as defined under section 3 of P.L.1985, c.334 (C.58:11B-3); and (2) funded either by loans from the New Jersey Infrastructure Bank, created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans issued through the Department of Environmental Protection.

#### FISCAL IMPACT:

The OLS estimates that the enactment of the bill may result in an indeterminate potential increase in local expenditures. The bill would authorize certain local government units, including municipalities and

municipal authorities, to issue bonds or levy special assessments in order to support certain lead-contaminated water service line replacements. The provisions of the bill only would apply to water service line replacement projects that are: (1) undertaken as environmental infrastructure projects, and (2) funded by loans from the New Jersey Infrastructure Bank or the Department of Environmental Protection.

By amending current law to allow the replacement of certain publically-owned water systems underneath privately-owned real property, the bill could result in increased local expenditures associated with those replacements. The OLS notes that some of these potential costs could be offset by the proceeds from special assessments levied on the property owners who benefit from such replacements. The OLS is unable to predict the number of water line replacements that would occur as a result of the bill, because the provisions of the bill are permissive in nature. As a result, the OLS cannot quantify the fiscal impact of the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4120**  
**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

DATED: JUNE 26, 2018

**SUMMARY**

**Synopsis:** Authorizes special assessments and bond issuance to replace lead-contaminated water service lines.

**Type of Impact:** Indeterminate potential increase in local expenditures.

**Agencies Affected:** Counties, municipalities, and municipal authorities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>Local Cost</b>	Indeterminate Potential Increase		

- The Office of Legislative Services (OLS) estimates that the enactment of the bill may result in an indeterminate potential increase in local expenditures. The bill would authorize certain local government units, including counties, municipalities, and municipal authorities, to issue bonds or levy special assessments in order to support certain lead-contaminated water service line replacements.
- The provisions of the bill only would apply to water service line replacement projects that are: (1) undertaken as environmental infrastructure projects, and (2) funded by loans from the New Jersey Infrastructure Bank or the Department of Environmental Protection.
- By amending current law to allow the replacement of certain publically-owned water systems underneath privately-owned real property, the bill could result in increased local expenditures associated with those replacements. The OLS notes that some of these potential costs could be offset by the proceeds from special assessments levied on the property owners who benefit from such replacements.
- The OLS is unable to predict the number of water line replacements that would occur as a result of the bill, because the provisions of the bill are permissive in nature. As a result, the OLS cannot quantify the fiscal impact of the bill.

## **BILL DESCRIPTION**

This bill would authorize municipalities to levy special assessments, and issue bonds, to replace certain lead-contaminated water service lines.

Pursuant to R.S.40:56-1, if a municipality engages in a project that is categorized as a “local improvement,” the municipality may assess the cost of the project on local property owners in the vicinity who benefit from the project. This bill amends current law to ensure that the replacement of certain lead-contaminated home service connections fall within this category, allowing those projects to be assessed as local improvements.

The bill also amends the “Local Bond Law” to permit municipalities and counties to issue 30-year bonds to fund the replacement of lead-contaminated house connections to publicly-owned water systems. Specifically, these bonds would fund replacement of lead-contaminated house connections from the distribution main onto privately-owned real property, and into the privately-owned structure.

The bill also amends the "County and Municipal Water Supply Act," N.J.S.40A:31-1 et seq., and the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to provide that the public entities operating under those laws are not prohibited from undertaking projects to replace lead-contaminated service connections, regardless of possible private service connection ownership.

The provisions of this bill only would apply to service line replacement projects that are: (1) undertaken as environmental infrastructure projects, as defined under section 3 of P.L.1985, c.334 (C.58:11B-3); and (2) funded either by loans from the New Jersey Infrastructure Bank, created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans issued through the Department of Environmental Protection.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the enactment of the bill may result in an indeterminate potential increase in local expenditures. The bill would authorize certain local government units, including counties, municipalities, and municipal authorities, to issue bonds or levy special assessments in order to support certain lead-contaminated water service line replacements. The provisions of the bill only would apply to water service line replacement projects that are: (1) undertaken as environmental infrastructure projects, and (2) funded by loans from the New Jersey Infrastructure Bank or the Department of Environmental Protection.

By amending current law to allow the replacement of certain publically-owned water systems underneath privately-owned real property, the bill could result in increased local expenditures associated with those replacements. The OLS notes that some of these potential costs could be offset by the proceeds from special assessments levied on the property owners who benefit from such replacements. However, the OLS is unable to predict the number of water line replacements that would occur as a result of the bill, because the provisions of the bill are permissive in nature. As a result, the OLS cannot quantify the fiscal impact of the bill.

*Section: Local Government*

*Analyst: Joseph A. Pezzulo  
Assistant Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



# SENATE, No. 2695

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 11, 2018

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

**Senator Greenstein**

**SYNOPSIS**

Authorizes special assessments and bond issuance to replace lead-contaminated water service lines.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/26/2018)**

1 AN ACT concerning replacement of lead-contaminated water service  
2 line connections and amending various parts of the statutory law.

3

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

6

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

9 3. As used in this act, unless a different meaning clearly  
10 appears from the context:

11 (1) "Municipality" shall mean any city of any class, any  
12 borough, village, town, township, or any other municipality other  
13 than a county or a school district, and except when used in section  
14 4, 5, 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any  
15 two or more thereof acting jointly or any joint meeting or other  
16 agency of any two or more thereof;

17 (2) "County" shall mean any county of any class;

18 (3) "Governing body" shall mean, in the case of a county, the  
19 board of chosen freeholders, or in the case of those counties  
20 organized pursuant to the provisions of the "Optional County  
21 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
22 chosen freeholders and the county executive, the county supervisor  
23 or the county manager, as appropriate, and, in the case of a  
24 municipality, the commission, council, board or body, by whatever  
25 name it may be known, having charge of the finances of the  
26 municipality;

27 (4) "Person" shall mean any person, association, corporation,  
28 nation, state or any agency or subdivision thereof, other than a  
29 county or municipality of the State or a municipal authority;

30 (5) "Municipal authority," "authority," or "water reclamation  
31 authority" shall mean a public body created or organized pursuant  
32 to section 4, 5 or 6 of this act and shall include a municipal utilities  
33 authority created by one or more municipalities and a county  
34 utilities authority created by a county;

35 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
36 this act, "district" shall mean the area within the territorial  
37 boundaries of the county, or of the municipality or municipalities,  
38 which created or joined in or caused the creation or organization of  
39 a municipal authority;

40 (7) "Local unit" shall mean the county, or any municipality,  
41 which created or joined in or caused the creation or organization of  
42 a municipal authority;

43 (8) "Water system" shall mean the plants, structures and other  
44 real and personal property acquired, constructed or operated or to be  
45 acquired, constructed or operated by a municipal authority or by

**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 any person to whom a municipal authority has extended credit for  
2 this purpose for the purposes of the municipal authority, including  
3 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,  
4 pipelines, mains, pumping stations, water distribution systems,  
5 compensating reservoirs, waterworks or sources of water supply,  
6 wells, purification or filtration plants or other plants and works,  
7 connections, rights of flowage or division, and other plants,  
8 structures, boats, conveyances, and other real and personal property,  
9 and rights therein, and appurtenances necessary or useful and  
10 convenient for the accumulation, supply and redistribution of water.

11 The term "water system" shall include the replacement of service  
12 connections to a publicly-owned water system, from the distribution  
13 main onto privately-owned real property and into a privately-owned  
14 structure, when used in reference to a project undertaken for the  
15 purpose of replacing lead-contaminated service connections,  
16 regardless of possible private service connection ownership, so long  
17 as the project is (a) an environmental infrastructure project, as  
18 defined under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b)  
19 funded either by loans from the New Jersey Infrastructure Bank,  
20 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by  
21 loans issued through the Department of Environmental Protection;

22 (9) "Sewerage system" shall mean the plants, structures, on-site  
23 wastewater systems and other real and personal property acquired,  
24 constructed or operated or to be acquired, constructed, maintained  
25 or operated by a municipal authority or by any person to whom a  
26 municipal authority has extended credit for this purpose for the  
27 purposes of the municipal authority, including sewers, conduits,  
28 pipelines, mains, pumping and ventilating stations, sewage  
29 treatment or disposal systems, plants and works, connections,  
30 outfalls, compensating reservoirs, and other plants, structures,  
31 boats, conveyances, and other real and personal property, and rights  
32 therein, and appurtenances necessary or useful and convenient for  
33 the collection, treatment, purification or disposal in a sanitary  
34 manner of any sewage, liquid or solid wastes, night soil or  
35 industrial wastes;

36 (10) "Utility system" shall mean a water system, solid waste  
37 system, sewerage system, or a hydroelectric system or any  
38 combination of such systems, acquired, constructed or operated or  
39 to be acquired, constructed or operated by a municipal authority or  
40 by any person to whom a municipal authority has extended credit  
41 for this purpose;

42 (11) "Cost" shall mean, in addition to the usual connotations  
43 thereof, the cost of acquisition or construction of all or any part of a  
44 utility system and of all or any property, rights, easements,  
45 privileges, agreements and franchises deemed by the municipal  
46 authority to be necessary or useful and convenient therefor or in  
47 connection therewith and the cost of retiring the present value of the  
48 unfunded accrued liability due and owing by a municipal authority,

1 as calculated by the system actuary for a date certain upon the  
2 request of a municipal authority, for early retirement incentive  
3 benefits granted by the municipal authority pursuant to P.L.1991,  
4 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
5 cost of issuance of bonds, engineering and inspection costs and  
6 legal expenses, cost of financial, professional and other estimates  
7 and advice, organization, administrative, operating and other  
8 expenses of the municipal authority prior to and during such  
9 acquisition or construction, and all such other expenses as may be  
10 necessary or incident to the financing, acquisition, construction and  
11 completion of said utility system or part thereof and the placing of  
12 the same in operation, and also such provision or reserves for  
13 working capital, operating, maintenance or replacement expenses or  
14 for payment or security of principal of or interest on bonds during  
15 or after such acquisition or construction as the municipal authority  
16 may determine, and also reimbursements to the municipal authority  
17 or any county, municipality or other person of any moneys  
18 theretofore expended for the purposes of the municipal authority or  
19 to any county or municipality of any moneys theretofore expended  
20 for or in connection with water supply, solid waste, water  
21 distribution, sanitation or hydroelectric facilities;

22 (12) "Real property" shall mean lands both within or without the  
23 State, and improvements thereof or thereon, or any rights or  
24 interests therein;

25 (13) "Construct" and "construction" shall connote and include  
26 acts of construction, reconstruction, replacement, extension,  
27 improvement and betterment of a utility system;

28 (14) "Industrial wastes" shall mean liquid or other wastes  
29 resulting from any processes of industry, manufacture, trade or  
30 business or from the development of any natural resource, and shall  
31 include any chemical wastes or hazardous wastes;

32 (15) "Sewage" shall mean the water-carried wastes created in and  
33 carried, or to be carried, away from, or to be processed by on-site  
34 wastewater systems, residences, hotels, apartments, schools,  
35 hospitals, industrial establishments, or any other public or private  
36 building, together with such surface or ground water and industrial  
37 wastes and leacheate as may be present;

38 (16) "On-site wastewater system" means any of several facilities,  
39 septic tanks or other devices, used to collect, treat, reclaim, or  
40 dispose of wastewater or sewage on or adjacent to the property on  
41 which the wastewater or sewage is produced, or to convey such  
42 wastewater or sewage from said property to such facilities as the  
43 authority may establish for its disposal;

44 (17) "Pollution" means the condition of water resulting from the  
45 introduction therein of substances of a kind and in quantities  
46 rendering it detrimental or immediately or potentially dangerous to  
47 the public health, or unfit for public or commercial use;

- 1 (18) "Bonds" shall mean bonds or other obligations issued  
2 pursuant to this act;
- 3 (19) "Service charges" shall mean water service charges, solid  
4 waste service charges, sewer service charges, hydroelectric service  
5 charges or any combination of such charges, as said terms are  
6 defined in section 21 or 22 of this act or in section 7 of this  
7 amendatory and supplementary act;
- 8 (20) "Compensating reservoir" shall mean the structures,  
9 facilities and appurtenances for the impounding, transportation and  
10 release of water for the replenishment in periods of drought or at  
11 other necessary times of all or a part of waters in or bordering the  
12 State diverted into a utility system operated by a municipal  
13 authority;
- 14 (21) "Sewage or water reclamation authority" shall mean a public  
15 body created pursuant to the "sewerage authorities law," P.L.1946,  
16 c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or  
17 supplemental thereto;
- 18 (22) "County sewer authority" shall mean a sanitary sewer  
19 district authority created pursuant to the act entitled "An act relating  
20 to the establishment of sewerage districts in first- and second-class  
21 counties, the creation of Sanitary Sewer District Authorities by the  
22 establishing of such districts, prescribing the powers and duties of  
23 any such authority and of other public bodies in connection with the  
24 construction of sewers and sewage disposal facilities in any such  
25 district, and providing the ways and means for paying the costs of  
26 construction and operation thereof," approved April 23, 1946  
27 (P.L.1946, c.123), or the acts amendatory thereof or supplemental  
28 thereto;
- 29 (23) "Chemical waste" shall mean a material normally generated  
30 by or used in chemical, petrochemical, plastic, pharmaceutical,  
31 biochemical or microbiological manufacturing processes or  
32 petroleum refining processes, which has been selected for waste  
33 disposal and which is known to hydrolyze, ionize or decompose,  
34 which is soluble, burns or oxidizes, or which may react with any of  
35 the waste materials which are introduced into the landfill, or which  
36 is buoyant on water, or which has a viscosity less than that of water  
37 or which produces a foul odor. Chemical waste may be either  
38 hazardous or nonhazardous;
- 39 (24) "Effluent" shall mean liquids which are treated in and  
40 discharged by sewage treatment plants;
- 41 (25) "Hazardous wastes" shall mean any waste or combination of  
42 waste which poses a present or potential threat to human health,  
43 living organisms or the environment. "Hazardous waste" shall  
44 include, but not be limited to, waste material that is toxic, corrosive,  
45 irritating, sensitizing, radioactive, biologically infectious, explosive  
46 or flammable;

1 (26) "Leachate" shall mean a liquid that has been in contact with  
2 solid waste and contains dissolved or suspended materials from that  
3 solid waste;

4 (27) "Recycling" shall mean the separation, collection,  
5 processing or recovery of metals, glass, paper, solid waste and other  
6 materials for reuse or for energy production and shall include  
7 resource recovery;

8 (28) "Sludge" shall mean any solid, semisolid, or liquid waste  
9 generated from a municipal, industrial or other sewage treatment  
10 plant, water supply treatment plant, or air pollution control facility,  
11 or any other such waste having similar characteristics and effects;  
12 "sludge" shall not include effluent;

13 (29) "Solid waste" shall mean garbage, refuse, and other  
14 discarded materials resulting from industrial, commercial and  
15 agricultural operations, and from domestic and community  
16 activities, and shall include all other waste materials including  
17 sludge, chemical waste, hazardous wastes and liquids, except for  
18 liquids which are treated in public sewage treatment plants and  
19 except for solid animal and vegetable wastes collected by swine  
20 producers licensed by the State Department of Agriculture to  
21 collect, prepare and feed such wastes to swine on their own farms;

22 (30) "Solid waste system" shall mean and include the plants,  
23 structures and other real and personal property acquired,  
24 constructed or operated or to be acquired, constructed or operated  
25 by an authority or by any person to whom a municipal authority has  
26 extended credit for this purpose pursuant to the provisions of this  
27 act, including transfer stations, incinerators, recycling facilities,  
28 including facilities for the generation, transmission and distribution  
29 of energy derived from the processing of solid waste, sanitary  
30 landfill facilities or other property or plants for the collection,  
31 recycling or disposal of solid waste and all vehicles, equipment and  
32 other real and personal property and rights thereon and  
33 appurtenances necessary or useful and convenient for the collection,  
34 recycling, or disposal of solid waste in a sanitary manner;

35 (31) "Hydroelectric system" shall mean the plants, structures and  
36 other real and personal property acquired, constructed or operated  
37 or to be acquired, constructed or operated by an authority pursuant  
38 to the provisions of this act, including all that which is necessary or  
39 useful and convenient for the generation, transmission and sale of  
40 hydroelectric power at wholesale;

41 (32) "Hydroelectric power" shall mean the production of electric  
42 current by the energy of moving water;

43 (33) "Sale of hydroelectric power at wholesale" shall mean any  
44 sale of hydroelectric power to any person for purposes of resale of  
45 such power;

46 (34) "Alternative electrical energy" shall mean electrical energy  
47 produced from solar, photovoltaic, wind, geothermal, or biomass

1 technologies, provided that in the case of biomass technology, the  
2 biomass is cultivated and harvested in a sustainable manner;

3 (35) "Alternative electrical energy system" shall mean any  
4 system which uses alternative electrical energy to provide all or a  
5 portion of the electricity for the heating, cooling, or general  
6 electrical energy needs of a building;

7 (36) "Pilot county" shall mean a county of the second class  
8 having a population between 280,000 and 290,000, a population  
9 between 510,000 and 520,000, and a population between 530,000  
10 and 540,000 according to the 2010 federal decennial census; and

11 (37) "Pilot county utilities authority" shall mean a county  
12 utilities authority in a county designated as a pilot county.

13 (cf: P.L.2013, c.190, s.3)

14

15 2. Section 20 of P.L.1957, c.183 (C.40:14B-20) is amended to  
16 read as follows:

17 20. Every municipal authority shall be a public body politic and  
18 corporate constituting a political subdivision of the State  
19 established as an instrumentality exercising public and essential  
20 governmental functions to provide for the public health and welfare  
21 and shall have perpetual succession and have the following powers:

22 (1) To adopt and have a common seal and to alter the same at  
23 pleasure;

24 (2) To sue and be sued;

25 (3) In the name of the municipal authority and on its behalf, to  
26 acquire, hold, use and dispose of its service charges and other  
27 revenues and other moneys;

28 (4) In the name of the municipal authority but for the local unit  
29 or units, to acquire, rent, hold, lease as lessor, use and dispose of  
30 other personal property for the purposes of the municipal authority;

31 (5) In the name of the municipal authority but for the local unit  
32 or units and subject to the limitations of this act, to acquire by  
33 purchase, gift, condemnation or otherwise, or lease as lessee, real  
34 property and easements therein, necessary or useful and convenient  
35 for the purposes of the municipal authority, and subject to  
36 mortgages, deeds of trust or other liens, or otherwise, and to hold,  
37 lease as lessor, and to use the same, and to dispose of property so  
38 acquired no longer necessary for the purposes of the municipal  
39 authority;

40 (6) To produce, develop, purchase, accumulate, distribute and  
41 sell water and water services, facilities and products within or  
42 without the district, provided that no water shall be sold at retail in  
43 any municipality or county without the district unless the governing  
44 body of such municipality or county shall have adopted a resolution  
45 requesting the municipal authority to sell water at retail in such  
46 municipality or county, and the board of public utility  
47 commissioners shall have approved such resolution as necessary  
48 and proper for the public convenience;

- 1       (7) To provide for and secure the payment of any bonds and the  
2 rights of the holders thereof, and to purchase, hold and dispose of  
3 any bonds;
- 4       (8) To accept gifts or grants of real or personal property, money,  
5 material, labor or supplies for the purposes of the municipal or  
6 county authority, and to make and perform such agreements and  
7 contracts as may be necessary or convenient in connection with the  
8 procuring, acceptance or disposition of such gifts or grants;
- 9       (9) To enter on any lands, waters or premises for the purpose of  
10 making surveys, borings, soundings and examinations for the  
11 purposes of the municipal authority, and whenever the operation of  
12 a septic tank or other component of an on-site wastewater system  
13 shall result in the creation of pollution or contamination source on  
14 private property such that under the provisions of R.S.26:3-49, a  
15 local board of health would have the authority to notify the owner  
16 and require said owner to abate the same, representatives of an  
17 authority shall have the power to enter, at all reasonable times, any  
18 premises on which such pollution or contamination source shall  
19 exist, for the purpose of inspecting, rehabilitating, securing samples  
20 of any discharges, improving, repairing, replacing, or upgrading  
21 such septic tank or other component of an on-site wastewater  
22 system;
- 23       (10) To establish an inspection program to be performed at least  
24 once every three years on all on-site wastewater systems installed  
25 within the district which inspection program shall contain the  
26 following minimum notice provisions: (i) not less than 30 days  
27 prior to the date of the inspection of any on-site wastewater system  
28 as described herein, the authority shall notify the owner and  
29 resident of the property that the inspection will occur; and (ii) not  
30 less than 60 days prior to the date of the performance of any work  
31 other than an inspection, the municipal authority shall provide  
32 notice to the owner and resident of the property in which the work  
33 will be performed. The notice to be provided to such owner and  
34 resident under this subsection shall include a description of the  
35 deficiency which necessitates the work and the proposed remedial  
36 action, and the proposed date for beginning and duration of the  
37 contemplated remedial action;
- 38       (11) To prepare and file in the office of the municipal authority  
39 records of all inspections, rehabilitation, maintenance, and work,  
40 performed with respect to on-site wastewater disposal systems;
- 41       (12) To make and enforce bylaws or rules and regulations for the  
42 management and regulation of its business and affairs and for the  
43 use, maintenance and operation of the utility system and any other  
44 of its properties, and to amend the same;
- 45       (13) To do and perform any acts and things authorized by this act  
46 under, through or by means of its own officers, agents and  
47 employees, or by contracts with any person;



1 (14) To enter into any and all contracts, execute any and all  
2 instruments, and do and perform any and all acts or things  
3 necessary, convenient or desirable for the purposes of the municipal  
4 authority or to carry out any power expressly given in this act  
5 subject to the "Local Public Contracts Law," P.L.1971, c.198  
6 (C.40A:11-1 et seq.);

7 (15) To extend credit or make loans to any person for the  
8 planning, designing, acquiring, constructing, reconstructing,  
9 improving, equipping, furnishing, and operating by that person of  
10 any part of a solid waste system, sewage treatment system,  
11 wastewater treatment or collection system for the provision of  
12 services and facilities within or without the district, which in the  
13 case of a solid waste system shall be in a manner consistent with the  
14 "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.)  
15 and in conformance with the solid waste management plans adopted  
16 by the solid waste management districts created therein. The  
17 credits or loans may be secured by loan and security agreements,  
18 mortgages, leases and any other instruments, upon such terms as the  
19 authority shall deem reasonable, including provision for the  
20 establishment and maintenance of reserve and insurance funds, and  
21 to require the inclusion in any mortgage, lease, contract, loan and  
22 security agreement or other instrument, provisions for the  
23 construction, use, operation and maintenance and financing of that  
24 part of the aforementioned systems as the authority may deem  
25 necessary or desirable;

26 (16) Upon the request of a customer: (i) to offer the customer the  
27 ability to receive or access, in electronic format, any periodic bill  
28 for service sent by the municipal authority to its customers and any  
29 additional information sent by the municipal authority to its  
30 customers as required by law, provided that any notice of  
31 disconnection, discontinuance or termination of service shall be  
32 sent to a customer in written form at the customer's legal mailing  
33 address in addition to being sent or being made available in  
34 electronic format; and (ii) to provide the customer the option of  
35 paying any such periodic bill via electronic means; **[and]**

36 (17) In the case of an authority that is a pilot county utilities  
37 authority, to fund improvements to county infrastructure pursuant to  
38 the provisions of subsection b. of section 40 of P.L.1957, c.183  
39 (C.40:14B-40); and

40 (18) To construct or reconstruct and finance service connections  
41 to a publicly-owned water system, from the distribution main onto  
42 privately-owned real property and into the privately-owned  
43 structure, for the purpose of replacing lead contaminated service  
44 connections, regardless of possible private service connection  
45 ownership, so long as the project is (a) undertaken as an  
46 environmental infrastructure project, as defined under section 3 of  
47 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from  
48 the New Jersey Infrastructure Bank, created pursuant to section 4 of

1 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
2 Department of Environmental Protection.

3 (cf: P.L.2013, c.190, s.5)

4

5 3. R.S.40:56-1 is amended to read as follows:

6 R.S.40:56-1. A local improvement is one, the cost of which, or a  
7 portion thereof, may be assessed upon the lands in the vicinity  
8 thereof benefited thereby.

9 Any municipality may undertake any of the following works as a  
10 local improvement; and the governing body thereof may make,  
11 amend, repeal and enforce ordinances for carrying into effect all  
12 powers granted in this section:

13 a. The laying out, opening or establishing of a new street,  
14 alley, or other public highway, or portion thereof.

15 b. The widening, straightening, extension, alteration or  
16 changing in any manner of the location of a street, alley or other  
17 public highway, or portion thereof.

18 c. The grading or alteration of the grade of a street, alley or  
19 other public highway, or portion thereof.

20 d. The paving, repaving, or otherwise improving or  
21 reimproving a street, alley or other public highway, or portion  
22 thereof.

23 e. The curbing or recurbing, guttering or reguttering of a  
24 sidewalk in, upon, or along a street, alley or other public highway,  
25 or portion thereof.

26 f. The construction, reconstruction, improvement and  
27 reimprovement of bridges and viaducts.

28 g. The construction, reconstruction, improvement,  
29 reimprovement or relocation of a public walk or driveway on any  
30 beach, or along the ocean or any river or other waterway.

31 h. The improvement or reimprovement of any beach or water  
32 front, and the providing of suitable protection to prevent damage to  
33 lands or property by the ocean or other waters, including the filing  
34 in and grading necessary for the protection of such improvements.

35 i. The construction, reconstruction, enlargement or extension  
36 of a sewer or drain in, under or along a street, alley or public  
37 highway, or portion thereof, or in, under or along any public or  
38 private lands; the construction, reconstruction, enlargement or  
39 extension of a system of sewerage or drainage or both combined;  
40 the construction, reconstruction, enlargement or extension of a  
41 system of drainage of the marshes and wet lowlands within the  
42 municipality; the construction, reconstruction, enlargement or  
43 alteration of a system of works for the sanitary disposal of sewage  
44 or drainage.

45 j. (1) The installation of service connections to a system of  
46 water, gas, light, heat or power works owned by a municipality or  
47 otherwise, including all such works as may be necessary for  
48 supplying water, gas, light, heat or power to real estate for whose

1 benefit such services are provided. This authorization includes, but  
2 shall not be limited to, the installation of service connections to a  
3 publicly-owned water system, from the distribution main onto  
4 privately-owned real property and into the privately-owned  
5 structure, for the purpose of replacing lead-contaminated service  
6 connections, regardless of possible private service connection  
7 ownership, so long as the project is (a) undertaken as an  
8 environmental infrastructure project, as defined under section 3 of  
9 P.L.1985, c.334 (C.58:11B-3), and (b) funded either by loans from  
10 the New Jersey Infrastructure Bank, created pursuant to section 4 of  
11 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
12 Department of Environmental Protection;

13 (2) The installation of service connections including the laying,  
14 construction or placing of mains, conduits or cables in, under or  
15 along a street, alley or other public highway or portion thereof.

16 k. The construction, reconstruction, enlargement or extension  
17 of any water main or other works for the distribution of water  
18 supplied by the State or any of its political subdivisions, or any  
19 public agency of any of the same.

20 l. The installation of such lighting standards, appliances and  
21 appurtenances as may be required for the brilliant illumination of  
22 the streets in those parts of the municipality where the governing  
23 body of the municipality may deem it necessary or proper to  
24 establish what is commonly called a "white way."

25 m. The widening, deepening or improvement of any stream,  
26 creek, river or other waterway.

27 n. The removal of obstructions in, and the constructing,  
28 reconstructing, enlarging or extending of any waterway, of  
29 enclosing walls, or of a pipe or conduit or any brook or  
30 watercourse, or part of same.

31 o. The defining of the location and the establishment of widths,  
32 grades and elevations of any stream, creek, river or other waterway,  
33 and the preventing of encroachments upon the same.

34 p. The reclaiming, filling and improving and bulkheading and  
35 filling in lands lying under tidal or other water, in whole or in part,  
36 within the municipality; the reclaiming or filling or bulkheading  
37 and filling those lands or lands adjacent to such reclaimed or filled  
38 lands; to dredge channels or improve harbor approaches in the  
39 waters abounding the lands to be reclaimed, filled and improved, or  
40 bulkheaded and filled; provided, the approval of the Planning and  
41 Development Council of the Division of Planning and Development  
42 in the Department of Conservation and Economic Development of  
43 the State of New Jersey, and when necessary, the permission of the  
44 Federal authorities in charge of the district port in which the  
45 improvements are proposed to be made, to improve and dredge  
46 channels and construct and improve the harbor approaches to those  
47 lands, shall be first had and obtained.

1       The governing body may enter into agreements with the Federal  
2 Government for reimbursement to the municipality for all or a  
3 portion of the cost of dredging channels or improving harbor  
4 approaches in waters under the jurisdiction of the Federal  
5 Government.

6       If any portion of the amount assessed against the lands within the  
7 municipality for the improvement shall be reimbursed to the  
8 municipality by the Federal Government after the assessment has  
9 been made, then a credit shall be made on each assessment levied  
10 in proportion to the amount so received from the Federal  
11 Government; provided, the amount received by the municipality  
12 from the Federal Government shall be in excess of the amount fixed  
13 in the assessment to be borne by the municipality at large.

14       If any portion of the land included within lands benefited or  
15 improved by any work done in connection with the reclaiming,  
16 filling or bulkheading and filling shall be riparian lands or lands  
17 under water, for which the riparian grant has not theretofore been  
18 made by the State, the municipal board or body authorized to make  
19 assessments for improvements in accordance with this subtitle may  
20 include in any such assessment a prospective assessment against the  
21 riparian lands or lands under water, and a copy of such prospective  
22 assessment shall be filed with the Planning and Development  
23 Council of the Division of Planning and Development in the  
24 Department of Conservation and Economic Development of the  
25 State of New Jersey and shall be a part of the records of that  
26 council. Upon the sale or grant by the State of the riparian rights to  
27 any such lands for which a prospective assessment has been filed  
28 with the council, the amount of such prospective assessment  
29 together with interest at the rate of five per centum (5%) per annum  
30 from the time of the confirmation of the assessment for the  
31 improvement shall be included by said Planning and Development  
32 Council in the purchase price fixed for such lands and made a part  
33 of the payment for the grant, and the amount of the assessment with  
34 interest, when paid, shall be turned over by said Planning and  
35 Development Council to the municipality making the assessment.  
36 Such prospective assessment shall also be included in the general  
37 assessment for and against any such riparian lands or lands under  
38 water for which an annual rental or fee is being charged or  
39 collected by said Planning and Development Council under any  
40 agreement by which the fee of any such riparian lands is passed,  
41 and when the fee does so pass by grant from the State the  
42 prospective assessment shall become immediately due and payable,  
43 together with interest thereon at the rate of five per centum (5%)  
44 per annum from the time of the confirmation of the assessment for  
45 the improvement and the assessment shall become a lien upon those  
46 lands until paid and shall be collectible as other liens for public  
47 improvements in the municipality. Should said Planning and  
48 Development Council lease for a term of years any such riparian

1 lands or lands under water, included within lands benefited or  
2 improved by any work done in connection with the reclaiming,  
3 filling or bulkheading and filling, it shall include in the annual  
4 rental to be charged therefor one-tenth of the amount of the  
5 prospective assessment for each year of the term not exceeding ten  
6 years until the prospective assessment and the interest thereon at the  
7 rate of five per centum (5%) per annum from the time of  
8 confirmation of the assessment for the improvement, shall be paid.  
9 If the lease shall be for a period less than ten years, such provision  
10 shall be contained in any and all extensions and renewals thereof, or  
11 in any new leases until the full prospective assessment with such  
12 interest shall have been paid. Nothing contained in this  
13 subparagraph shall apply to lands owned by a company whose rates  
14 are subject to regulation by the Board of Public Utility  
15 Commissioners.

16 Whenever convenient more than one of the works provided for in  
17 this section may be carried on as one improvement. Any  
18 municipality may undertake any or all of the works mentioned in  
19 this section as a general improvement to be paid for by general  
20 taxation, and any municipality may provide for the maintenance,  
21 repair and operation of any or all of said works by taxation whether  
22 the same are undertaken as local or general improvements.

23 (cf: P.L.1951, c.175, s.1)

24

25 4. N.J.S.40A:2-22 is amended to read as follows:

26 40A:2-22. The governing body of the local unit shall determine  
27 the period of usefulness of any purpose according to its reasonable  
28 life computed from the date of the bonds, which period shall not be  
29 greater than the following:

30 a. Buildings and structures.

31 1. Bridges, including retaining walls and approaches, or  
32 permanent structures of brick, stone, concrete or metal, or similar  
33 durable construction, 30 years.

34 2. Buildings, including the original furnishings and equipment  
35 therefor:

36 Class A: A building, of which all walls, floors, partitions, stairs  
37 and roof are wholly of incombustible material, except the window  
38 frames, doors, top flooring and wooden handrails on the stairs, 40  
39 years;

40 Class B: A building, the outer walls of which are wholly of  
41 incombustible material, except the window frames and doors, 30  
42 years;

43 Class C: A building which does not meet the requirements of  
44 Class A or Class B, 20 years.

45 3. Buildings or structures acquired substantially reconstructed  
46 or additions thereto, one-half the period fixed in this subsection for  
47 such buildings or structures.

48 4. Additional furnishings, five years.

- 1       b. Marine improvements.
- 2       1. Harbor improvements, docks or marine terminals, 40 years.
- 3       2. Dikes, bulkheads, jetties or similar devices of stone,
- 4 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 5       c. Additional equipment and machinery.
- 6       1. Additional or replacement equipment and machinery, 15
- 7 years.
- 8       2. Voting machines, 15 years.
- 9       3. Information technology and telecommunications equipment,
- 10 7 years, except that for items with a unit cost of less than \$5,000, 5
- 11 years.
- 12       d. Real property.
- 13       1. Acquisition for any public purpose of lands or riparian
- 14 rights, or both, and the original dredging, grading, draining or
- 15 planting thereof, 40 years.
- 16       2. Improvement of airport, cemetery, golf course, park,
- 17 playground, 15 years.
- 18       3. Stadia of concrete or other incombustible materials, 20
- 19 years.
- 20       e. Streets or thoroughfares.
- 21       1. Elimination of grade crossings, 35 years.
- 22       2. Streets or roads:
- 23       Class A: Rigid pavement. A pavement of not less than eight
- 24 inches of cement concrete or a six-inch cement concrete base with
- 25 not less than three-inch bituminous concrete surface course, or
- 26 equivalent wearing surface, 20 years.
- 27       Flexible pavement. A pavement not less than 10 inches in depth
- 28 consisting of five-inch macadam base, three-inch modified
- 29 penetration macadam and three-inch bituminous concrete surface
- 30 course or other pavements of equivalent strength, in accordance
- 31 with the findings of the American Association of State Highway
- 32 Officials (AASHO) Road Test, 20 years.
- 33       Class B: Mixed surface-treated road. An eight-inch surface of
- 34 gravel, stone or other selected material under partial control mixed
- 35 with cement or lime and fly ash, six inches in compacted thickness
- 36 with bituminous surface treatment and cover, 10 years.
- 37       Bituminous penetration road. A five-inch gravel or stone base
- 38 course and a three-inch course bound with a bituminous or
- 39 equivalent binder, 10 years.
- 40       Class C: Mixed bituminous road. An eight-inch surface of
- 41 gravel, stone, or other selected material under partial control mixed
- 42 with bituminous material one inch or more in compacted thickness,
- 43 five years.
- 44       Penetration macadam road. A road of sand, gravel or water-
- 45 bound macadam, or surfacing with penetration macadam, five years.
- 46       3. Sidewalks, curbs and gutters of stone, concrete or brick, 10
- 47 years.

- 1       The period of usefulness in this subsection shall apply to  
2 construction and reconstruction of streets and thoroughfares.
- 3       f. Utilities and municipal systems.
- 4       1. Sewerage system, whether sanitary or storm water, water  
5 supply or distribution system, 40 years.
- 6       2. Electric light, power or gas systems, garbage, refuse or ashes  
7 incinerator or disposal plant, 25 years.
- 8       3. Communication and signal systems, 10 years.
- 9       4. House connections to publicly-owned gas, water or sewerage  
10 systems from the service main in the street to the curb or property  
11 lines where not part of original installation, five years.
- 12       5. House connections to publicly-owned water systems, from  
13 the distribution main onto privately-owned real property and into  
14 the privately-owned structure, for the purpose of replacing lead-  
15 contaminated house connections, so long as the project is (a)  
16 undertaken as an environmental infrastructure project, as defined  
17 under section 3 of P.L.1985, c.334 (C.58:11B-3), and (b) funded  
18 either by loans from the New Jersey Infrastructure Bank, created  
19 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans  
20 issued through the Department of Environmental Protection, 30  
21 years.
- 22       g. Vehicles and apparatus.
- 23       1. Fire engines, apparatus and equipment, when purchased  
24 new, but not fire equipment purchased separately, 10 years.
- 25       2. Automotive vehicles, including original apparatus and  
26 equipment (other than passenger cars and station wagons), when  
27 purchased new, five years.
- 28       3. Major repairs, reconditioning or overhaul of fire engines and  
29 apparatus, ambulances, rescue vehicles, and similar public safety  
30 vehicles (other than passenger cars and station wagons) which may  
31 reasonably be expected to extend for at least five years the period of  
32 usefulness thereof, five years.
- 33       h. The closure of a sanitary landfill facility utilized, owned or  
34 operated by a county or municipality, 15 years; provided that the  
35 closure has been approved by the Board of Public Utilities and the  
36 Department of Environmental Protection. For the purposes of this  
37 subsection "closure" means all activities associated with the design,  
38 purchase or construction of all measures required by the  
39 Department of Environmental Protection, pursuant to law, in order  
40 to prevent, minimize or monitor pollution or health hazards  
41 resulting from sanitary landfill facilities subsequent to the  
42 termination of operations at any portion thereof, including, but not  
43 necessarily limited to, the costs of the placement of earthen or  
44 vegetative cover, and the installation of methane gas vents or  
45 monitors and leachate monitoring wells or collection systems at the  
46 site of any sanitary landfill facility.
- 47       i. (Deleted by amendment, P.L.2007, c.62.)

1 j. The prefunding of a claims account for environmental  
2 liability claims by an environmental impairment liability insurance  
3 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.  
4 (cf: P.L.2007, c.62, s.17)

5  
6 5. N.J.S.40A:31-3 is amended to read as follows:

7 40A:31-3. As used in this act:

8 a. "Bonds" means bond anticipation notes or bonds issued in  
9 accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq.

10 b. "Cost" as applied to water supply facilities or extensions or  
11 additions thereto, means the cost of acquisition or the construction,  
12 including improvement, reconstruction, extension or enlargement,  
13 the cost of all labor materials, machinery and equipment, the cost of  
14 all lands, property, rights and easements acquired, the cost of  
15 demolition or removal of any buildings or structures thereon,  
16 financing charges, interest on bonds issued to finance water supply  
17 facilities prior to and during construction, the cost of plans and  
18 specifications, surveys or estimates of costs and revenues, the cost  
19 of engineering, legal services, and any other expenses necessary or  
20 incident to determining the feasibility of construction,  
21 administrative expenses and such other expenses as may be  
22 necessary or incident to the construction or acquisition of water  
23 supply facilities, and the financing thereof.

24 c. "Local unit" means a county or municipality.

25 d. "Water supply facilities" means the plants, structures or  
26 other real and personal property acquired, constructed or operated,  
27 or to be financed, acquired, constructed or operated, or any parts  
28 thereof, including reservoirs, basins, dams, canals, aqueducts,  
29 standpipes, conduits, pipelines, mains, pumping stations, water  
30 distribution systems, compensating reservoirs, waterworks, or  
31 sources of water supply, well, purification or filtration plants, or  
32 other plants or works, connections, rights of flowage or diversion,  
33 and other plants, structures, boats, conveyances and other real and  
34 personal property, or rights therein, and appurtenances necessary or  
35 useful for the accumulation, supply or distribution of water.  
36 Source: C.40:14C-3 (P.L.1979, c.451, s.3).

37 The term "water supply facilities" includes the replacement of  
38 service connections to a publicly-owned water system, from the  
39 distribution main onto privately-owned real property and into a  
40 privately-owned structure, when used in reference to a project  
41 undertaken for the purpose of replacing lead-contaminated service  
42 connections, regardless of possible private service connection  
43 ownership, so long as the project is (1) an environmental  
44 infrastructure project, as defined under section 3 of P.L.1985, c.334  
45 (C.58:11B-3), and (2) funded either by loans from the New Jersey  
46 Infrastructure Bank, created pursuant to section 4 of P.L.1985,  
47 c.334 (C.58:11B-4), or by loans issued through the Department of



1 Environmental Protection.

2 (cf: P.L.1989, c.109, s.1)

3

4 6. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill would authorize municipalities to levy special  
10 assessments, and issue bonds, to replace certain lead-contaminated  
11 water service lines.

12 Pursuant to R.S.40:56-1, if a municipality engages in a project  
13 that is categorized as a "local improvement," the municipality may  
14 assess the cost of the project on local property owners in the  
15 vicinity who benefit from the project. This bill adjusts language in  
16 R.S.40:56-1 to ensure that the replacement of certain lead-  
17 contaminated home service connections fall within this category,  
18 allowing those projects to be assessed as local improvements.

19 The bill would also amend N.J.S.40A:2-22, a section of the  
20 "Local Bond Law," to permit municipalities and counties to issue  
21 30-year bonds to fund the replacement of lead-contaminated house  
22 connections to publicly-owned water systems. Specifically, these  
23 bonds would fund replacement of lead-contaminated house  
24 connections from the distribution main onto privately-owned real  
25 property, and into the privately-owned structure.

26 The bill also amends the "County and Municipal Water Supply  
27 Act," N.J.S.40A:31-1 et seq., and the "municipal and county  
28 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to  
29 provide that the public entities operating under those laws are not  
30 prevented from undertaking projects to replace lead-contaminated  
31 service connections, regardless of possible private service  
32 connection ownership.

33 The provisions of this bill only would apply to service line  
34 replacement projects that are: (1) undertaken as environmental  
35 infrastructure projects, as defined under section 3 of P.L.1985,  
36 c.334 (C.58:11B-3); and (2) funded either by loans from the New  
37 Jersey Infrastructure Bank, created pursuant to section 4 of  
38 P.L.1985, c.334 (C.58:11B-4), or by loans issued through the  
39 Department of Environmental Protection.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2695

# STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2695.

This bill would authorize municipalities to levy special assessments, and issue bonds, to replace certain lead-contaminated water service lines.

Pursuant to R.S.40:56-1, if a municipality engages in a project that is categorized as a "local improvement," the municipality may assess the cost of the project on local property owners in the vicinity who benefit from the project. This bill adjusts language in R.S.40:56-1 to ensure that the replacement of certain lead-contaminated home service connections fall within this category, allowing those projects to be assessed as local improvements.

The bill would also amend N.J.S.40A:2-22, a section of the "Local Bond Law," to permit municipalities and counties to issue 30-year bonds to fund the replacement of lead-contaminated house connections to publicly-owned water systems. Specifically, these bonds would fund replacement of lead-contaminated house connections from the distribution main onto privately-owned real property, and into the privately-owned structure.

The bill also amends the "County and Municipal Water Supply Act," N.J.S.40A:31-1 et seq., and the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to provide that the public entities operating under those laws are not prevented from undertaking projects to replace lead-contaminated service connections, regardless of possible private service connection ownership.

The provisions of this bill only would apply to service line replacement projects that are: (1) undertaken as environmental infrastructure projects, as defined under section 3 of P.L.1985, c.334 (C.58:11B-3); and (2) funded either by loans from the New Jersey Infrastructure Bank, created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans issued through the Department of Environmental Protection.

#### FISCAL IMPACT:

The OLS estimates that the enactment of the bill may result in an indeterminate potential increase in local expenditures. The bill would authorize certain local government units, including municipalities and

municipal authorities, to issue bonds or levy special assessments in order to support certain lead-contaminated water service line replacements. The provisions of the bill only would apply to water service line replacement projects that are: (1) undertaken as environmental infrastructure projects, and (2) funded by loans from the New Jersey Infrastructure Bank or the Department of Environmental Protection.

By amending current law to allow the replacement of certain publically-owned water systems underneath privately-owned real property, the bill could result in increased local expenditures associated with those replacements. The OLS notes that some of these potential costs could be offset by the proceeds from special assessments levied on the property owners who benefit from such replacements. The OLS is unable to predict the number of water line replacements that would occur as a result of the bill, because the provisions of the bill are permissive in nature. As a result, the OLS cannot quantify the fiscal impact of the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2695**  
**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

DATED: JUNE 26, 2018

**SUMMARY**

**Synopsis:** Authorizes special assessments and bond issuance to replace lead-contaminated water service lines.

**Type of Impact:** Indeterminate potential increase in local expenditures.

**Agencies Affected:** Counties, municipalities, and municipal authorities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>Local Cost</b>	Indeterminate Potential Increase		

- The Office of Legislative Services (OLS) estimates that the enactment of the bill may result in an indeterminate potential increase in local expenditures. The bill would authorize certain local government units, including counties, municipalities, and municipal authorities, to issue bonds or levy special assessments in order to support certain lead-contaminated water service line replacements.
- The provisions of the bill only would apply to water service line replacement projects that are: (1) undertaken as environmental infrastructure projects, and (2) funded by loans from the New Jersey Infrastructure Bank or the Department of Environmental Protection.
- By amending current law to allow the replacement of certain publically-owned water systems underneath privately-owned real property, the bill could result in increased local expenditures associated with those replacements. The OLS notes that some of these potential costs could be offset by the proceeds from special assessments levied on the property owners who benefit from such replacements.
- The OLS is unable to predict the number of water line replacements that would occur as a result of the bill, because the provisions of the bill are permissive in nature. As a result, the OLS cannot quantify the fiscal impact of the bill.

## **BILL DESCRIPTION**

This bill would authorize municipalities to levy special assessments, and issue bonds, to replace certain lead-contaminated water service lines.

Pursuant to R.S.40:56-1, if a municipality engages in a project that is categorized as a "local improvement," the municipality may assess the cost of the project on local property owners in the vicinity who benefit from the project. This bill amends current law to ensure that the replacement of certain lead-contaminated home service connections fall within this category, allowing those projects to be assessed as local improvements.

The bill also amends the "Local Bond Law" to permit municipalities and counties to issue 30-year bonds to fund the replacement of lead-contaminated house connections to publicly-owned water systems. Specifically, these bonds would fund replacement of lead-contaminated house connections from the distribution main onto privately-owned real property, and into the privately-owned structure.

The bill also amends the "County and Municipal Water Supply Act," N.J.S.40A:31-1 et seq., and the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to provide that the public entities operating under those laws are not prohibited from undertaking projects to replace lead-contaminated service connections, regardless of possible private service connection ownership.

The provisions of this bill only would apply to service line replacement projects that are: (1) undertaken as environmental infrastructure projects, as defined under section 3 of P.L.1985, c.334 (C.58:11B-3); and (2) funded either by loans from the New Jersey Infrastructure Bank, created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans issued through the Department of Environmental Protection.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the enactment of the bill may result in an indeterminate potential increase in local expenditures. The bill would authorize certain local government units, including counties, municipalities, and municipal authorities, to issue bonds or levy special assessments in order to support certain lead-contaminated water service line replacements. The provisions of the bill only would apply to water service line replacement projects that are: (1) undertaken as environmental infrastructure projects, and (2) funded by loans from the New Jersey Infrastructure Bank or the Department of Environmental Protection.

By amending current law to allow the replacement of certain publically-owned water systems underneath privately-owned real property, the bill could result in increased local expenditures associated with those replacements. The OLS notes that some of these potential costs could be offset by the proceeds from special assessments levied on the property owners who benefit from such replacements. However, the OLS is unable to predict the number of water line replacements that would occur as a result of the bill, because the provisions of the bill are permissive in nature. As a result, the OLS cannot quantify the fiscal impact of the bill.

*Section: Local Government*

*Analyst: Joseph A. Pezzulo  
Assistant Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



[Home](#) [Administration](#) [Key Initiatives](#) [News and Events](#) [Social](#) [Contact Us](#)

## Newark, N.J.

# Governor Murphy Takes Action on Legislation

08/24/2018

**TRENTON** - Today, Governor Phil Murphy signed the following bills into law:

**A542 (Mazzeo, Lagana, Andrzejczak, Zwicker, Land, Benson, Downey/Ruiz, Bateman)** - Requires certain schools to maintain supply of opioid antidotes and permits emergency administration of opioid antidote by school nurse or trained employee.

**A1675 (Dancer, Conaway, Caride, Space/Beach, Smith)** - Authorizes prescribed burning in certain circumstances.

**A2035 (McKeon, Schaer/Pou, Cruz-Perez)** - Revises "New Jersey Residential Mortgage Lending Act."

**A2401 (Wimberly, Mukherji, Reynolds-Jackson/Cunningham, Gill, Turner)** - Authorizes issuance of Delta Sigma Theta license plates.

**A3463 (Murphy, Downey, Houghtaling/Gopal, Cruz-Perez)** - Requires district boards of election to report every two hours number of voters who have voted at each precinct; authorizes challengers to request reported count.

**A3628 (Greenwald, Moriarty, Murphy/Weinberg, Diegnan)** - Establishes New Jersey Civic Information Consortium.

[Copy of Statement on A3628](#)

**A3871 (Chiaravalloti, Egan/Diegnan, Cruz-Perez)** - Concerns disqualification from unemployment benefits for misconduct.

**A3904 (McKeon, Jasey, Schepisi/Cardinale, Stack)** - "Tommy's Law"; requires NJT to take certain action and adopt policies concerning person injured or killed in incidents involving NJT motorbuses and rail or light rail vehicles.

**A4120 (Pintor Marin, Tucker, DeAngelo/Rice, Ruiz)** - Authorizes special assessments and bond issuance to replace lead-contaminated water service lines.

**A4208 (Jasey, Lopez, Sumter/Rice)** - Establishes "New Jersey Complete Count Commission."

**A4249 (Wimberly, Pintor Marin/Ruiz, Vitale)** - Expands per adjusted admission charge on hospitals to create supplemental funding pool for State's graduate medical education subsidy; appropriates \$24,285,714.

**A4259 (Pintor Marin, Calabrese/Sarlo, Ruiz)** - Restructures tickets sales law.

[Copy of Statement on A4259](#)

**AJR137 (Pinkin/Greenstein)** - Designates month of July of each year as "Smart Irrigation Month."

**S2145 (Scutari, Sweeney/DeAngelo, Downey, Mukherji)** - Concerns attorney fees for workers' compensation

awards.

**SJR14 (Pou, Ruiz/Chaparro, Lopez, Jimenez)** - Designates September 20th of each year as Hispanic Journalist Pride Day.

[Back to Top](#)

Powered by  **Translate** [Select Language](#)

[Translator Disclaimer](#)

## Governor Phil Murphy

## Statewide

### Home

#### Administration

[Governor Phil Murphy](#)

[Lt. Governor Sheila](#)

[Oliver](#)

[First Lady Tammy](#)

[Snyder Murphy](#)

[Cabinet](#)

[Boards, Commissions](#)

[& Authorities](#)

[Internship](#)

[Opportunities](#)

[Governor's Residence](#)

[- Drumthwacket](#)

### Key Initiatives

[Economy & Jobs](#)

[Education](#)

[Environment](#)

[Health](#)

[Law & Justice](#)

[Transportation](#)

### News & Events

[Press Releases](#)

[Public Addresses](#)

[Executive Orders](#)

[Statements on](#)

[Legislation](#)

[Administration Reports](#)

[Transition Reports](#)

[Press Kits](#)

### Social

[Facebook](#)

[Twitter](#)

[Instagram](#)

[Snapchat](#)

[YouTube](#)

### Contact Us

[Scheduling Requests](#)

[Contact Us](#)

[NJ Home](#)

[Services A to Z](#)

[Departments/Agencies](#)

[FAQs](#)

[Contact Us](#)

[Privacy Notice](#)

[Legal Statement &](#)

[Disclaimers](#)

[Accessibility](#)

[Statement](#)



Copyright © State of New Jersey, 1996-2018  
Office of Governor PO Box 001  
Trenton, NJ 08625  
609-292-6000

powered by **njoit**

**YOURMONEY.NJ.GOV**