

40:14A-8

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2005 **CHAPTER:** 173

NJSA: 40:14A-8 (Requires certain authorities to credit connection fees for certain catastrophic events)

BILL NO: A3048 (Substituted for S2573)

SPONSOR(S): Stack and others

DATE INTRODUCED: June 14, 2004

COMMITTEE: **ASSEMBLY:** Environment and Solid Waste
SENATE: Community and Urban Affairs

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** December 13, 2004

SENATE: June 30, 2005

DATE OF APPROVAL: August 5, 2005

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (2nd reprint enacted)

A3048

[SPONSOR'S STATEMENT:](#) (Begins on page 9 of original bill) [Yes](#)

COMMITTEE STATEMENT: [ASSEMBLY:](#) [Yes](#)

[SENATE:](#) [Yes](#)

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

LEGISLATIVE FISCAL ESTIMATE: No

S2573

[SPONSOR'S STATEMENT:](#) (Begins on page 10 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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No

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No

IS 9/5/07

P.L. 2005, CHAPTER 173, *approved August 5, 2005*
Assembly, No. 3048 (*Second Reprint*)

1 **AN ACT** requiring municipal and county sewerage authorities and
2 utilities authorities to ²[waive] credit² connection fees for certain
3 catastrophic events ²under certain circumstances², and amending
4 and supplementing P.L.1946, c.138 (C.40:14A-1 et seq.) and
5 P.L.1957, c.183 (C.40:14B-1 et seq.).

6

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

9

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

12 8. (a) Every sewerage authority is hereby authorized to charge and
13 collect rents, rates, fees or other charges (in this act sometimes
14 referred to as "service charges") for direct or indirect connection with,
15 or the use or services of, the sewerage system. Such service charges
16 may be charged to and collected from any person contracting for such
17 connection or use or services or from the owner or occupant, or both
18 of them, of any real property which directly or indirectly is or has been
19 connected with the system or from or on which originates or has
20 originated sewage or other wastes which directly or indirectly have
21 entered or may enter the sewerage system, and the owner of any such
22 real property shall be liable for and shall pay such service charges to
23 the sewerage authority at the time when and the place where such
24 service charges are due and payable.

25 (b) Rents, rates, fees and charges, which may be payable
26 periodically, being in the nature of use or service charges, shall as
27 nearly as the sewerage authority shall deem practicable and equitable
28 be uniform throughout the district for the same type, class and amount
29 of use or service of the sewerage system, except as permitted by
30 section 1 of P.L.1994, c.78 (C.40:14A-8.2), and may be based or
31 computed either on the consumption of water on or in connection with
32 the real property, making due allowance for commercial use of water,
33 or on the number and kind of water outlets on or in connection with
34 the real property, or on the number and kind of plumbing or sewerage
35 fixtures or facilities on or in connection with the real property, or on
36 the number of persons residing or working on or otherwise connected
37 or identified with the real property, or on the capacity of the
38 improvements on or connected with the real property, or on any other
39 factors determining the type, class and amount of use or service of the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ **Assembly AEN committee amendments adopted September 13, 2004.**

² **Assembly floor amendments adopted November 15, 2004.**

1 sewerage system, or on any combination of any such factors, and may
2 give weight to the characteristics of the sewage and other wastes and
3 any other special matter affecting the cost of treatment and disposal
4 thereof, including chlorine demand, biochemical oxygen demand,
5 concentration of solids and chemical composition. In addition to any
6 such periodic service charges, a separate charge in the nature of a
7 connection fee or tapping fee, in respect of each connection of any
8 property with the sewerage system, may be imposed upon the owner
9 or occupant of the property so connected. Such connection charges
10 shall be uniform within each class of users, except as provided by
11 section 2 of P.L. c. (C. _____)(now before the Legislature as this
12 bill), and the amount thereof shall not exceed the actual cost of the
13 physical connection, if made by the authority, plus an amount
14 computed in the following manner to represent a fair payment toward
15 the cost of the system:

16 (1) The amount representing all debt service, including but not
17 limited to sinking funds, reserve funds, the principal and interest on
18 bonds, and the amount of any loans and interest thereon, paid by the
19 sewerage authority to defray the capital cost of developing the system
20 as of the end of the immediately preceding fiscal year of the authority
21 shall be added to all capital expenditures made by the authority not
22 funded by a bond ordinance or debt for the development of the system
23 as of the end of the immediately preceding fiscal year of the authority.

24 (2) Any gifts, contributions or subsidies to the authority received
25 from, and not reimbursed or reimbursable to any federal, State, county
26 or municipal government or agency or any private person, and that
27 portion of amounts paid to the authority by a public entity under a
28 service agreement or service contract which is not repaid to the public
29 entity by the authority, shall then be subtracted.

30 (3) The remainder shall be divided by the total number of service
31 units served by the authority at the end of the immediately preceding
32 fiscal year of the authority, and the results shall then be apportioned
33 to each new connector according to the number of service units
34 attributed to that connector, to produce the connector's contribution
35 to the cost of the system. In attributing service units to each
36 connector, the estimated average daily flow of sewage for the
37 connector shall be divided by the average daily flow of sewage for the
38 average single family residence in the authority's district to produce
39 the number of service units to be attributed.

40 The connection fee shall be recomputed at the end of each fiscal
41 year of the authority, after a public hearing is held in the manner
42 prescribed in subsection (c) of this section. The revised connection fee
43 may be imposed upon those who subsequently connect in that fiscal
44 year to the system. The combination of such connection fee or tapping
45 fee and the aforesaid periodic service charges shall meet the
46 requirements of subsection (c) hereof.

1 (c) The sewerage authority shall prescribe and from time to time
2 when necessary revise a schedule of service charges, which shall
3 comply with the terms of any contract of the sewerage authority and
4 in any event shall be such that the revenues of the sewerage authority
5 will at all times be adequate to pay all expenses of operation and
6 maintenance of the sewerage system, including reserves, insurance,
7 extensions, and replacements, and to pay punctually the principal of
8 and interest on any bonds and to maintain such reserves or sinking
9 funds therefor as may be required by the terms of any contract of the
10 sewerage authority or as may be deemed necessary or desirable by the
11 sewerage authority. Said schedule shall thus be prescribed and from
12 time to time revised by the sewerage authority after public hearing
13 thereon which shall be held by the sewerage authority at least 20 days
14 after notice of the proposed adjustment is mailed to the clerk of each
15 municipality serviced by the authority and publication of notice of the
16 proposed adjustment of the service charges and of the time and place
17 of the public hearing in at least two newspapers of general circulation
18 in the area serviced by the authority. The sewerage authority shall
19 provide evidence at the hearing showing that the proposed adjustment
20 of the service charges is necessary and reasonable, and shall provide
21 the opportunity for cross-examination of persons offering such
22 evidence, and a transcript of the hearing shall be made and a copy
23 thereof shall be available upon request to any interested party at a
24 reasonable fee. The sewerage authority shall likewise fix and determine
25 the time or times when and the place or places where such service
26 charges shall be due and payable and may require that such service
27 charges shall be paid in advance for periods of not more than one year.
28 A copy of such schedule of service charges in effect shall at all times
29 be kept on file at the principal office of the sewerage authority and
30 shall at all reasonable times be open to public inspection.

31 (d) Any county sewerage authority may establish sewerage regions
32 in portions of the district. Rents, rates, fees and charges which may
33 be payable periodically, being in the nature of use or service charges,
34 shall as nearly as the sewerage authority shall deem practicable and
35 equitable, be uniform throughout the district for the same type, class
36 and amount of use or service of the sewerage systems, except as
37 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2), and shall
38 meet all other requirements of subsection (b) hereof.

39 (cf: P.L.1994, c.78, s.2)

40

41 2. (New section) a. ²[A] For a unit damaged by a catastrophic
42 event, a² county, regional or municipal sewerage authority shall
43 ²[waive] provide, within two years after the date of the catastrophic
44 event, a credit for² the connection fee or tapping fee assessed pursuant
45 to section 8 of P.L.1946, c.138 (C.40:14A-8) for ²[new connections]
46 connection² to the sewerage system ²[whenever the unit ¹being newly

1 connected¹ has been damaged by ¹[fire or other] a¹ catastrophic event
2 ¹during construction or refurbishing of the unit¹.

3 b. For units previously connected to the authority's system that
4 were refurbished and for which a connection or tapping fee was
5 previously paid, a county, regional or municipal sewerage authority
6 shall waive the connection fee or tapping fee to be assessed for
7 connection with the sewerage system whenever the unit has been
8 damaged by ¹[fire or other] a¹ catastrophic event.

9 c.], provided that:

10 (1) the unit was damaged by a catastrophic event during
11 construction or refurbishing of the unit;

12 (2) the connection fee or tapping fee has been paid; and

13 (3) the damaged unit is refurbished or replaced with another unit
14 and connected to the sewerage system within two years after the date
15 of the catastrophic event.

16 If the refurbishing of the damaged unit or the construction of the
17 unit replacing the damaged unit expands the sewerage system use, the
18 property owner of the refurbished unit or the newly constructed unit,
19 as applicable, shall be credited for any connection fee or tapping fee
20 previously paid for the unit and shall be assessed the difference
21 between the credit and the connection fee or tapping fee, as applicable,
22 for the new class of use.

23 b.² For the purposes of this section, "catastrophic event" means a
24 fire or any declared national, State or municipal emergency or a flood
25 or other natural disaster or event which substantially affects or
26 damages a building or structure ²; and "unit" means any publicly or
27 privately owned real property that is a building or part of a building
28 that is connected to, or, after construction or refurbishing, is to be
29 connected to, a sewerage system, and shall include, but shall not be
30 limited to, any building or part of a building leased, operated, or
31 owned by a municipality or a school district².

32

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

35 21. a. Every municipal authority is hereby authorized to charge
36 and collect rents, rates, fees or other charges (in this act sometimes
37 referred to as "water service charges") for direct or indirect connection
38 with, or the use, products or services of, the water system, or for sale
39 of water or water services, facilities or products. Such water service
40 charges may be charged to and collected from any person contracting
41 for such connection or use, products or services or for such sale or
42 from the owner or occupant, or both of them, of any real property
43 which directly or indirectly is or has been connected with the water
44 system or to which directly or indirectly has been supplied or furnished
45 such use, products or services of the water system or water or water
46 supply services, water supply facilities or products, and the owner of

1 any such real property shall be liable for and shall pay such water
2 service charges to the municipal authority at the time when and place
3 where such water service charges are due and payable. Such rents,
4 rates, fees and charges shall as nearly as the municipal authority shall
5 deem practicable and equitable be uniform throughout the district for
6 the same type, class and amount of use, products or services of the
7 water system, except as permitted by section 1 of P.L.1992, c.215
8 (C.40:14B-22.2), and may be based or computed either on the
9 consumption of water on or in connection with the real property, or on
10 the number and kind of water outlets on or in connection with the real
11 property, or on the number and kind of plumbing fixtures or facilities
12 on or in connection with the real property, or on the number of
13 persons residing or working on or otherwise connected or identified
14 with the real property, or on the capacity of the improvements on or
15 connected with the real property, or on any other factors determining
16 the type, class and amount of use, products or services of the water
17 system supplied or furnished, or on any combination of such factors,
18 and may give weight to the characteristics of the water or water
19 services, facilities or products and, as to service outside the district,
20 any other matter affecting the cost of supplying or furnishing the same,
21 including the cost of installation of necessary physical properties.

22 Every municipal authority that furnishes water supply services or
23 operates water supply facilities shall establish a rate structure that
24 provides for uniform water service charges for water supply service
25 and fire protection systems.

26 No municipal authority may impose standby fees or charges for any
27 fire protection system to a residential customer served by a water
28 service line of two inches or less in diameter.

29 Nothing in this section shall preclude a municipal authority from
30 requiring separate dedicated service lines for fire protection. A
31 municipal authority may require that fire service lines be metered.
32 Nothing in this section shall alter the liability for maintenance and
33 repair of service lines which exists on the effective date of P.L.2003,
34 c.278.

35 b. In addition to any such water service charges, a separate charge
36 in the nature of a connection fee or tapping fee, in respect of each
37 connection of any property with the water system, may be imposed
38 upon the owner or occupant of the property so connected. Such
39 connection charges shall be uniform within each class of users, except
40 as provided by section 5 of P.L. c. (C.)(now before the
41 Legislature as this bill), and the amount thereof shall not exceed the
42 actual cost of the physical connection, if made by the authority, plus
43 an amount computed in the following manner to represent a fair
44 payment toward the cost of the system:

45 (1) The amount representing all debt service, including but not
46 limited to sinking funds, reserve funds, the principal and interest on

1 bonds, and the amount of any loans and interest thereon, paid by a
2 municipal authority to defray the capital cost of developing the system
3 as of the end of the immediately preceding fiscal year of the authority
4 shall be added to all capital expenditures made by the authority not
5 funded by a bond ordinance or debt for the development of the system
6 as of the end of the immediately preceding fiscal year of the authority.

7 (2) Any gifts, contributions or subsidies to the authority received
8 from, and not reimbursed or reimbursable to any federal, State, county
9 or municipal government or agency or any private person, and that
10 portion of amounts paid to the authority by a public entity under a
11 service agreement or service contract which is not repaid to the public
12 entity by the authority, shall then be subtracted.

13 (3) The remainder shall be divided by the total number of service
14 units served by the authority at the end of the immediately preceding
15 fiscal year of the authority, and the results shall then be apportioned
16 to each new connector according to the number of service units
17 attributed to that connector, to produce the connector's contribution
18 to the cost of the system. In attributing service units to each
19 connector, the estimated average daily flow of water for the connector
20 shall be divided by the average daily flow of water to the average
21 single family residence in the authority's district, to produce the
22 number of service units to be attributed.

23 c. The connection fee shall be recomputed at the end of each fiscal
24 year of the authority, after a public hearing is held in the manner
25 prescribed in section 23 of P.L.1957, c.183 (C.40:14B-23). The
26 revised connection fee may be imposed upon those who subsequently
27 connect in that fiscal year to the system. The combination of such
28 connection fee or tapping fee and the aforesaid water service charges
29 all meet the requirements of section 23 of P.L.1957, c.183
30 (C.40:14B-23).

31 d. The foregoing notwithstanding, no municipal authority shall
32 impose any charges or fees in excess of the cost of water actually used
33 for any sprinkler system required to be installed in any residential
34 health care facility pursuant to the "Health Care Facilities Planning
35 Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and regulations
36 promulgated thereunder or in any rooming or boarding house pursuant
37 to the "Rooming and Boarding House Act of 1979," P.L.1979, c.496
38 (C.55:13B-1 et al.) and regulations promulgated thereunder. Nothing
39 herein shall preclude any municipal authority from charging for the
40 actual cost of water main connections, except as provided by section
41 5 of P.L. c. (C.)(now before the Legislature as this bill).
42 (cf: P.L.2003, c.278, s.1)

43

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

46 22. Every municipal authority is hereby authorized to charge and

1 collect rents, rates, fees or other charges (in this act sometimes
2 referred to as "sewerage service charges") for direct or indirect
3 connection with, or the use or services of, the sewerage system. Such
4 sewerage service charges may be charged to and collected from any
5 person contracting for such connection or use or services or from the
6 owner or occupant, or both of them, of any real property which
7 directly or indirectly is or has been connected with the sewerage
8 system or from or on which originates or has originated sewage or
9 other wastes which directly or indirectly have entered or may enter the
10 sewerage system, and the owner of any such real property shall be
11 liable for and shall pay such sewerage service charges to the municipal
12 authority at the time when and place where such sewerage service
13 charges are due and payable. Such rents, rates, fees and charges, being
14 in the nature of use or service charges, shall as nearly as the municipal
15 authority shall deem practicable and equitable be uniform throughout
16 the district for the same type, class and amount of use or service of the
17 sewerage system, except as permitted by section 1 of P.L.1992, c.215
18 (C.40:14B-22.2), and may be based or computed either on the
19 consumption of water on or in connection with the real property,
20 making due allowance for commercial use of water, or on the number
21 and kind of water outlets on or in connection with the real property,
22 or on the number and kind of plumbing or sewerage fixtures or
23 facilities on or in connection with the real property, or on the number
24 of persons residing or working on or otherwise connected or identified
25 with the real property, or on the capacity of the improvements on or
26 connected with the real property, or on any other factors determining
27 the type, class and amount of use or service of the sewerage system,
28 or on any combination of any such factors, and may give weight to the
29 characteristics of the sewage and other wastes and any other special
30 matter affecting the cost of treatment and disposal of the same,
31 including chlorine demand, biochemical oxygen demand, concentration
32 of solids and chemical composition, and, as to service outside the
33 district, the cost of installation of necessary physical properties.

34 In addition to any such sewerage service charges, a separate charge
35 in the nature of a connection fee or tapping fee, in respect of each
36 connection of any property with the sewerage system, may be imposed
37 upon the owner or occupant of the property so connected. Such
38 connection charges shall be uniform within each class of users, except
39 as provided by section 5 of P.L. c. (C.)(now before the
40 Legislature as this bill), and the amount thereof shall not exceed the
41 actual cost of the physical connection, if made by the authority, plus
42 an amount computed in the following manner to represent a fair
43 payment towards the cost of the system:

44 a. The amount representing all debt service, including but not
45 limited to sinking funds, reserve funds, the principal and interest on
46 bonds, and the amount of any loans and the interest thereon, paid by

1 the municipal authority to defray the capital cost of developing the
 2 system as of the end of the immediately preceding fiscal year of the
 3 authority shall be added to all capital expenditures made by a
 4 municipal authority not funded by a bond ordinance or debt for the
 5 development of the system as of the end of the immediately preceding
 6 fiscal year of the authority.

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

13 c. The remainder shall be divided by the total number of service
 14 units served by the authority at the end of the immediately preceding
 15 fiscal year of the authority, and the results shall then be apportioned
 16 to each new connector according to the number of service units
 17 attributed to that connector. In attributing service units to each
 18 connector, the estimated average daily flow of sewage for the
 19 connector shall be divided by the average daily flow of sewage from
 20 the average single family residence in the authority's district, to
 21 produce the number of service units to be attributed.

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

27 The combination of such connection fee or tapping fee and the
 28 aforesaid sewerage service charges shall meet the requirements of
 29 section 23.

30 (cf: P.L.1992, c.215, s.2)

31

32 5. (New section) a. ²[(1) A] For a unit damaged by a
 33 catastrophic event, a² county, regional or municipal utilities authority
 34 shall ²[waive] provide, within two years after the date of the
 35 catastrophic event, a credit for² the connection fee or tapping fee
 36 assessed pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21) for
 37 ²[new connections] connection² to the water system ²[whenever the
 38 unit ¹being newly connected¹ has been damaged by ¹[fire or other] a¹
 39 catastrophic event ¹during construction or refurbishing of the unit¹ .

40 (2) A county, regional or municipal utilities authority shall waive],
 41 or a credit for² the connection fee or tapping fee assessed pursuant to
 42 section 22 of P.L.1957, c.183 (C.40:14B-22) for ²[new connections]
 43 connection² to the sewerage system ²[whenever the unit ¹being newly
 44 connected¹ has been damaged by ¹[fire or other] a¹ catastrophic event
 45 ¹during construction or refurbishing of the unit¹ .

46 b. For units previously connected to the authority's system that

1 were refurbished and for which a connection or tapping fee was
2 previously paid, a county, regional or municipal sewerage authority
3 shall waive the connection fee or tapping fee to be assessed for
4 connection with the sewerage system or the water system]², or both,
5 as the case may be, ²[whenever the unit has been damaged by ¹[fire
6 or other] a¹ catastrophic event.

7 c.] provided that:

8 (1) the unit was damaged by a catastrophic event during
9 construction or refurbishing of the unit;

10 (2) the connection fee or tapping fee has been paid; and

11 (3) the damaged unit is refurbished or replaced with another unit
12 and connected to the water system or the sewerage system, or both,
13 as the case may be, within two years after the date of the catastrophic
14 event.

15 If the refurbishing of the damaged unit or the construction of the
16 unit replacing the damaged unit expands the water system use or the
17 sewerage system use, or both, as the case may be, the property owner
18 of the refurbished unit or the newly constructed unit, as applicable,
19 shall be credited for any connection fee or tapping fee previously paid
20 for the unit and shall be assessed the difference between the credit and
21 the connection fee or tapping fee, as applicable, for the new class of
22 use.

23 b.² For the purposes of this section, "catastrophic event" means a
24 fire or any declared national, State or municipal emergency or a flood
25 or other natural disaster or event which substantially affects or
26 damages a building or structure ²; and "unit" means any publicly or
27 privately owned real property that is a building or part of a building
28 that is connected to, or, after construction or refurbishing, is to be
29 connected to, a water system or a sewerage system, or both, as the
30 case may be, and shall include, but shall not be limited to, any building
31 or part of a building leased, operated, or owned by a municipality or
32 a school district².

33
34 6. This act shall take effect immediately.
35
36
37

38
39 _____
40 Requires certain authorities to provide credit for paid sewer and water
connection fees for certain units damaged by catastrophic events.

ASSEMBLY, No. 3048

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 14, 2004

Sponsored by:

Assemblyman BRIAN P. STACK

District 33 (Hudson)

Assemblyman JOSEPH VAS

District 19 (Middlesex)

Assemblyman JOHN F. MCKEON

District 27 (Essex)

SYNOPSIS

Requires certain authorities to waive sewer and water connection fees for catastrophic events.

CURRENT VERSION OF TEXT

As introduced.



A3048 STACK, VAS

2

1 AN ACT requiring municipal and county sewerage authorities and
2 utilities authorities to waive connection fees for certain catastrophic
3 events, and amending and supplementing P.L.1946, c.138
4 (C.40:14A-1 et seq.) and P.L.1957, c.183 (C.40:14B-1 et seq.).
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

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

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

24 (b) Rents, rates, fees and charges, which may be payable
25 periodically, being in the nature of use or service charges, shall as
26 nearly as the sewerage authority shall deem practicable and equitable
27 be uniform throughout the district for the same type, class and amount
28 of use or service of the sewerage system, except as permitted by
29 section 1 of P.L.1994, c.78 (C.40:14A-8.2), and may be based or
30 computed either on the consumption of water on or in connection with
31 the real property, making due allowance for commercial use of water,
32 or on the number and kind of water outlets on or in connection with
33 the real property, or on the number and kind of plumbing or sewerage
34 fixtures or facilities on or in connection with the real property, or on
35 the number of persons residing or working on or otherwise connected
36 or identified with the real property, or on the capacity of the
37 improvements on or connected with the real property, or on any other
38 factors determining the type, class and amount of use or service of the
39 sewerage system, or on any combination of any such factors, and may
40 give weight to the characteristics of the sewage and other wastes and
41 any other special matter affecting the cost of treatment and disposal
42 thereof, including chlorine demand, biochemical oxygen demand,
43 concentration of solids and chemical composition. In addition to any

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 such periodic service charges, a separate charge in the nature of a
2 connection fee or tapping fee, in respect of each connection of any
3 property with the sewerage system, may be imposed upon the owner
4 or occupant of the property so connected. Such connection charges
5 shall be uniform within each class of users, except as provided by
6 section 2 of P.L. c. (C. _____)(now before the Legislature as this
7 bill), and the amount thereof shall not exceed the actual cost of the
8 physical connection, if made by the authority, plus an amount
9 computed in the following manner to represent a fair payment toward
10 the cost of the system:

11 (1) The amount representing all debt service, including but not
12 limited to sinking funds, reserve funds, the principal and interest on
13 bonds, and the amount of any loans and interest thereon, paid by the
14 sewerage authority to defray the capital cost of developing the system
15 as of the end of the immediately preceding fiscal year of the authority
16 shall be added to all capital expenditures made by the authority not
17 funded by a bond ordinance or debt for the development of the system
18 as of the end of the immediately preceding fiscal year of the authority.

19 (2) Any gifts, contributions or subsidies to the authority received
20 from, and not reimbursed or reimbursable to any federal, State, county
21 or municipal government or agency or any private person, and that
22 portion of amounts paid to the authority by a public entity under a
23 service agreement or service contract which is not repaid to the public
24 entity by the authority, shall then be subtracted.

25 (3) The remainder shall be divided by the total number of service
26 units served by the authority at the end of the immediately preceding
27 fiscal year of the authority, and the results shall then be apportioned
28 to each new connector according to the number of service units
29 attributed to that connector, to produce the connector's contribution
30 to the cost of the system. In attributing service units to each
31 connector, the estimated average daily flow of sewage for the
32 connector shall be divided by the average daily flow of sewage for the
33 average single family residence in the authority's district to produce
34 the number of service units to be attributed.

35 The connection fee shall be recomputed at the end of each fiscal
36 year of the authority, after a public hearing is held in the manner
37 prescribed in subsection (c) of this section. The revised connection fee
38 may be imposed upon those who subsequently connect in that fiscal
39 year to the system. The combination of such connection fee or tapping
40 fee and the aforesaid periodic service charges shall meet the
41 requirements of subsection (c) hereof.

42 (c) The sewerage authority shall prescribe and from time to time
43 when necessary revise a schedule of service charges, which shall
44 comply with the terms of any contract of the sewerage authority and
45 in any event shall be such that the revenues of the sewerage authority
46 will at all times be adequate to pay all expenses of operation and

1 maintenance of the sewerage system, including reserves, insurance,
2 extensions, and replacements, and to pay punctually the principal of
3 and interest on any bonds and to maintain such reserves or sinking
4 funds therefor as may be required by the terms of any contract of the
5 sewerage authority or as may be deemed necessary or desirable by the
6 sewerage authority. Said schedule shall thus be prescribed and from
7 time to time revised by the sewerage authority after public hearing
8 thereon which shall be held by the sewerage authority at least 20 days
9 after notice of the proposed adjustment is mailed to the clerk of each
10 municipality serviced by the authority and publication of notice of the
11 proposed adjustment of the service charges and of the time and place
12 of the public hearing in at least two newspapers of general circulation
13 in the area serviced by the authority. The sewerage authority shall
14 provide evidence at the hearing showing that the proposed adjustment
15 of the service charges is necessary and reasonable, and shall provide
16 the opportunity for cross-examination of persons offering such
17 evidence, and a transcript of the hearing shall be made and a copy
18 thereof shall be available upon request to any interested party at a
19 reasonable fee. The sewerage authority shall likewise fix and determine
20 the time or times when and the place or places where such service
21 charges shall be due and payable and may require that such service
22 charges shall be paid in advance for periods of not more than one year.
23 A copy of such schedule of service charges in effect shall at all times
24 be kept on file at the principal office of the sewerage authority and
25 shall at all reasonable times be open to public inspection.

26 (d) Any county sewerage authority may establish sewerage regions
27 in portions of the district. Rents, rates, fees and charges which may
28 be payable periodically, being in the nature of use or service charges,
29 shall as nearly as the sewerage authority shall deem practicable and
30 equitable, be uniform throughout the district for the same type, class
31 and amount of use or service of the sewerage systems, except as
32 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2), and shall
33 meet all other requirements of subsection (b) hereof.

34 (cf: P.L.1994, c.78, s.2)

35

36 2. (New section) a. A county, regional or municipal sewerage
37 authority shall waive the connection fee or tapping fee assessed
38 pursuant to section 8 of P.L.1946, c.138 (C.40:14A-8) for new
39 connections to the sewerage system whenever the unit has been
40 damaged by fire or other catastrophic event.

41 b. For units previously connected to the authority's system that
42 were refurbished and for which a connection or tapping fee was
43 previously paid, a county, regional or municipal sewerage authority
44 shall waive the connection fee or tapping fee to be assessed for
45 connection with the sewerage system whenever the unit has been
46 damaged by fire or other catastrophic event.

1 c. For the purposes of this section, "catastrophic event" means a
2 fire or any declared national, State or municipal emergency or a flood
3 or other natural disaster or event which substantially affects or
4 damages a building or structure.

5
6 3. Section 21 of P.L.1957, c.183 (C.40:14B-21) is amended to
7 read as follows:

8 21. a. Every municipal authority is hereby authorized to charge
9 and collect rents, rates, fees or other charges (in this act sometimes
10 referred to as "water service charges") for direct or indirect connection
11 with, or the use, products or services of, the water system, or for sale
12 of water or water services, facilities or products. Such water service
13 charges may be charged to and collected from any person contracting
14 for such connection or use, products or services or for such sale or
15 from the owner or occupant, or both of them, of any real property
16 which directly or indirectly is or has been connected with the water
17 system or to which directly or indirectly has been supplied or furnished
18 such use, products or services of the water system or water or water
19 supply services, water supply facilities or products, and the owner of
20 any such real property shall be liable for and shall pay such water
21 service charges to the municipal authority at the time when and place
22 where such water service charges are due and payable. Such rents,
23 rates, fees and charges shall as nearly as the municipal authority shall
24 deem practicable and equitable be uniform throughout the district for
25 the same type, class and amount of use, products or services of the
26 water system, except as permitted by section 1 of P.L.1992, c.215
27 (C.40:14B-22.2), and may be based or computed either on the
28 consumption of water on or in connection with the real property, or on
29 the number and kind of water outlets on or in connection with the real
30 property, or on the number and kind of plumbing fixtures or facilities
31 on or in connection with the real property, or on the number of
32 persons residing or working on or otherwise connected or identified
33 with the real property, or on the capacity of the improvements on or
34 connected with the real property, or on any other factors determining
35 the type, class and amount of use, products or services of the water
36 system supplied or furnished, or on any combination of such factors,
37 and may give weight to the characteristics of the water or water
38 services, facilities or products and, as to service outside the district,
39 any other matter affecting the cost of supplying or furnishing the same,
40 including the cost of installation of necessary physical properties.

41 Every municipal authority that furnishes water supply services or
42 operates water supply facilities shall establish a rate structure that
43 provides for uniform water service charges for water supply service
44 and fire protection systems.

45 No municipal authority may impose standby fees or charges for any
46 fire protection system to a residential customer served by a water

1 service line of two inches or less in diameter.

2 Nothing in this section shall preclude a municipal authority from
3 requiring separate dedicated service lines for fire protection. A
4 municipal authority may require that fire service lines be metered.
5 Nothing in this section shall alter the liability for maintenance and
6 repair of service lines which exists on the effective date of P.L.2003,
7 c.278.

8 b. In addition to any such water service charges, a separate charge
9 in the nature of a connection fee or tapping fee, in respect of each
10 connection of any property with the water system, may be imposed
11 upon the owner or occupant of the property so connected. Such
12 connection charges shall be uniform within each class of users, except
13 as provided by section 5 of P.L. c. (C. _____)(now before the
14 Legislature as this bill), and the amount thereof shall not exceed the
15 actual cost of the physical connection, if made by the authority, plus
16 an amount computed in the following manner to represent a fair
17 payment toward the cost of the system:

18 (1) The amount representing all debt service, including but not
19 limited to sinking funds, reserve funds, the principal and interest on
20 bonds, and the amount of any loans and interest thereon, paid by a
21 municipal authority to defray the capital cost of developing the system
22 as of the end of the immediately preceding fiscal year of the authority
23 shall be added to all capital expenditures made by the authority not
24 funded by a bond ordinance or debt for the development of the system
25 as of the end of the immediately preceding fiscal year of the authority.

26 (2) Any gifts, contributions or subsidies to the authority received
27 from, and not reimbursed or reimbursable to any federal, State, county
28 or municipal government or agency or any private person, and that
29 portion of amounts paid to the authority by a public entity under a
30 service agreement or service contract which is not repaid to the public
31 entity by the authority, shall then be subtracted.

32 (3) The remainder shall be divided by the total number of service
33 units served by the authority at the end of the immediately preceding
34 fiscal year of the authority, and the results shall then be apportioned
35 to each new connector according to the number of service units
36 attributed to that connector, to produce the connector's contribution
37 to the cost of the system. In attributing service units to each
38 connector, the estimated average daily flow of water for the connector
39 shall be divided by the average daily flow of water to the average
40 single family residence in the authority's district, to produce the
41 number of service units to be attributed.

42 c. The connection fee shall be recomputed at the end of each fiscal
43 year of the authority, after a public hearing is held in the manner
44 prescribed in section 23 of P.L.1957, c.183 (C.40:14B-23). The
45 revised connection fee may be imposed upon those who subsequently
46 connect in that fiscal year to the system. The combination of such

1 connection fee or tapping fee and the aforesaid water service charges
2 all meet the requirements of section 23 of P.L.1957, c.183
3 (C.40:14B-23).

4 d. The foregoing notwithstanding, no municipal authority shall
5 impose any charges or fees in excess of the cost of water actually used
6 for any sprinkler system required to be installed in any residential
7 health care facility pursuant to the "Health Care Facilities Planning
8 Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and regulations
9 promulgated thereunder or in any rooming or boarding house pursuant
10 to the "Rooming and Boarding House Act of 1979," P.L.1979, c.496
11 (C.55:13B-1 et al.) and regulations promulgated thereunder. Nothing
12 herein shall preclude any municipal authority from charging for the
13 actual cost of water main connections, except as provided by section
14 5 of P.L. c. (C. _____)(now before the Legislature as this bill).
15 (cf: P.L.2003, c.278, s.1)

16

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

19 22. Every municipal authority is hereby authorized to charge and
20 collect rents, rates, fees or other charges (in this act sometimes
21 referred to as "sewerage service charges") for direct or indirect
22 connection with, or the use or services of, the sewerage system. Such
23 sewerage service charges may be charged to and collected from any
24 person contracting for such connection or use or services or from the
25 owner or occupant, or both of them, of any real property which
26 directly or indirectly is or has been connected with the sewerage
27 system or from or on which originates or has originated sewage or
28 other wastes which directly or indirectly have entered or may enter the
29 sewerage system, and the owner of any such real property shall be
30 liable for and shall pay such sewerage service charges to the municipal
31 authority at the time when and place where such sewerage service
32 charges are due and payable. Such rents, rates, fees and charges, being
33 in the nature of use or service charges, shall as nearly as the municipal
34 authority shall deem practicable and equitable be uniform throughout
35 the district for the same type, class and amount of use or service of the
36 sewerage system, except as permitted by section 1 of P.L.1992, c.215
37 (C.40:14B-22.2), and may be based or computed either on the
38 consumption of water on or in connection with the real property,
39 making due allowance for commercial use of water, or on the number
40 and kind of water outlets on or in connection with the real property,
41 or on the number and kind of plumbing or sewerage fixtures or
42 facilities on or in connection with the real property, or on the number
43 of persons residing or working on or otherwise connected or identified
44 with the real property, or on the capacity of the improvements on or
45 connected with the real property, or on any other factors determining
46 the type, class and amount of use or service of the sewerage system,

1 or on any combination of any such factors, and may give weight to the
2 characteristics of the sewage and other wastes and any other special
3 matter affecting the cost of treatment and disposal of the same,
4 including chlorine demand, biochemical oxygen demand, concentration
5 of solids and chemical composition, and, as to service outside the
6 district, the cost of installation of necessary physical properties.

7 In addition to any such sewerage service charges, a separate charge
8 in the nature of a connection fee or tapping fee, in respect of each
9 connection of any property with the sewerage system, may be imposed
10 upon the owner or occupant of the property so connected. Such
11 connection charges shall be uniform within each class of users, except
12 as provided by section 5 of P.L. c. (C.) (now before the
13 Legislature as this bill), and the amount thereof shall not exceed the
14 actual cost of the physical connection, if made by the authority, plus
15 an amount computed in the following manner to represent a fair
16 payment towards the cost of the system:

17 a. The amount representing all debt service, including but not
18 limited to sinking funds, reserve funds, the principal and interest on
19 bonds, and the amount of any loans and the interest thereon, paid by
20 the municipal authority to defray the capital cost of developing the
21 system as of the end of the immediately preceding fiscal year of the
22 authority shall be added to all capital expenditures made by a
23 municipal authority not funded by a bond ordinance or debt for the
24 development of the system as of the end of the immediately preceding
25 fiscal year of the authority.

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

32 c. The remainder shall be divided by the total number of service
33 units served by the authority at the end of the immediately preceding
34 fiscal year of the authority, and the results shall then be apportioned
35 to each new connector according to the number of service units
36 attributed to that connector. In attributing service units to each
37 connector, the estimated average daily flow of sewage for the
38 connector shall be divided by the average daily flow of sewage from
39 the average single family residence in the authority's district, to
40 produce the number of service units to be attributed.

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

46 The combination of such connection fee or tapping fee and the

1 aforesaid sewerage service charges shall meet the requirements of
2 section 23.

3 (cf: P.L.1992, c.215, s.2)

4

5 5. (New section) a. (1) A county, regional or municipal utilities
6 authority shall waive the connection fee or tapping fee assessed
7 pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21) for new
8 connections to the water system whenever the unit has been damaged
9 by fire or other catastrophic event.

10 (2) A county, regional or municipal utilities authority shall waive
11 the connection fee or tapping fee assessed pursuant to section 22 of
12 P.L.1957, c.183 (C.40:14B-22) for new connections to the sewerage
13 system whenever the unit has been damaged by fire or other
14 catastrophic event.

15 b. For units previously connected to the authority's system that
16 were refurbished and for which a connection or tapping fee was
17 previously paid, a county, regional or municipal sewerage authority
18 shall waive the connection fee or tapping fee to be assessed for
19 connection with the sewerage system or the water system, or both, as
20 the case may be, whenever the unit has been damaged by fire or other
21 catastrophic event.

22 c. For the purposes of this section, "catastrophic event" means a
23 fire or any declared national, State or municipal emergency or a flood
24 or other natural disaster or event which substantially affects or
25 damages a building or structure.

26

27 6. This act shall take effect immediately.

28

29

STATEMENT

30

31 This bill requires regional, county and municipal sewerage
32 authorities created pursuant to the "sewerage authorities law,"
33 P.L.1946, c.138 (C.40:14A-1 et seq.) and regional, county and
34 municipal utility authorities created pursuant to the "municipal and
35 county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.)
36 to waive the connection fee or tapping fee assessed for new
37 connections to the sewer system or water system, or both, whenever
38 the unit has been damaged by fire or other catastrophic event. A
39 "catastrophic event" refers to a fire or any declared national, State or
40 municipal emergency or a flood or other natural disaster or event
41 which substantially affects or damages a building or structure. For
42 units previously connected to an authority's system that were
43 refurbished and for which a connection or tapping fee was previously
44 paid, the authority shall waive the connection fee or tapping fee to be
45 assessed for connection with the sewerage system or the water system,
46 or both, whenever the unit has been damaged by fire or other
47 catastrophic event.

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3048

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2004

The Assembly Environment and Solid Waste Committee reports favorably Assembly Bill No. 3048, with committee amendments.

This bill, as amended, requires regional, county and municipal sewerage authorities created pursuant to the "sewerage authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.) and regional, county and municipal utility authorities created pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.) to waive the connection fee or tapping fee assessed for new connections to the sewer system or water system, or both, whenever the unit has been damaged by a catastrophic event during construction or refurbishing of the unit. For units previously connected to an authority's system that were refurbished and for which a connection or tapping fee was previously paid, the bill, as amended, requires the authority to waive the connection fee or tapping fee to be assessed for connection with the sewerage system or the water system, or both, whenever the unit has been damaged by a catastrophic event during the construction or refurbishing of the unit.

"Catastrophic event" is defined in the bill as a fire or any declared national, State or municipal emergency or a flood or other natural disaster or event which substantially affects or damages a building or structure.

The committee amendments made clarifying and technical amendments to the bill.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

[Second Reprint]

ASSEMBLY, No. 3048

STATE OF NEW JERSEY

DATED: MAY 23, 2005

The Senate Community and Urban Affairs Committee reports favorably Assembly Bill No. 3048 (2R).

This bill would require regional, county and municipal sewerage authorities created pursuant to the "sewerage authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), and regional, county and municipal utility authorities created pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to provide credits for the connection fee or tapping fee paid for new connections to the sewer system or water system, or both, whenever the unit has been damaged by a catastrophic event during construction or refurbishing of the unit, and the damaged unit is refurbished or replaced and connected to the sewerage system or water system, or both, within two years after the date of the catastrophic event.

The bill also provides that if the refurbishing of the damaged unit or the construction of the unit replacing the damaged unit expands the sewerage system use, the property owner of the refurbished unit or the newly constructed unit, as applicable, would be credited for any connection fee or tapping fee previously paid for the unit and would be assessed the difference between the credit and the connection fee or tapping fee, as applicable, for the new class of use.

The bill defines:

"Catastrophic event" as a fire, or any declared national, State or municipal emergency, or a flood, or other natural disaster or event which substantially affects or damages a building or structure, including buildings that are leased, operated or owned by a municipality or a school district; and

"unit" as any publicly or privately owned real property that is a building or part of a building that is connected to, or, after construction or refurbishing, is to be connected to, a sewerage system, and shall include, but shall not be limited to, any building or part of a building leased, operated, or owned by a municipality or a school district.

STATEMENT TO
[FIRST REPRINT]
ASSEMBLY, No. 3048

with Assembly Floor Amendments
(Proposed By Assemblyman STACK)

ADOPTED: NOVEMBER 15, 2004

These amendments require credits be provided for paid connection fees or tapping fees when a unit is damaged by a catastrophic event during construction or refurbishing of the unit and the damaged unit is refurbished or replaced, and connected to the sewerage system or water system, or both, within two years after the date of the catastrophic event. The amendments also clarify that the provisions of the bill apply to all units connected to, or being connected to, a sewerage system or water system, or both, whether publicly or privately owned, and include any buildings or part of buildings leased, operated, or owned by a municipality or a school district.

SENATE, No. 2573

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED MAY 19, 2005

Sponsored by:
Senator RONALD L. RICE
District 28 (Essex)

SYNOPSIS

Requires certain authorities to provide credit for paid sewer and water connection fees for certain units damaged by catastrophic events.

CURRENT VERSION OF TEXT

As introduced.



S2573 RICE

2

1 **AN ACT** requiring municipal and county sewerage authorities and
2 utilities authorities to credit connection fees for certain catastrophic
3 events under certain circumstances, and amending and
4 supplementing P.L.1946, c.138 (C.40:14A-1 et seq.) and P.L.1957,
5 c.183 (C.40:14B-1 et seq.).

6

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

9

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

12 8. (a) Every sewerage authority is hereby authorized to charge and
13 collect rents, rates, fees or other charges (in this act sometimes
14 referred to as "service charges") for direct or indirect connection with,
15 or the use or services of, the sewerage system. Such service charges
16 may be charged to and collected from any person contracting for such
17 connection or use or services or from the owner or occupant, or both
18 of them, of any real property which directly or indirectly is or has been
19 connected with the system or from or on which originates or has
20 originated sewage or other wastes which directly or indirectly have
21 entered or may enter the sewerage system, and the owner of any such
22 real property shall be liable for and shall pay such service charges to
23 the sewerage authority at the time when and the place where such
24 service charges are due and payable.

25 (b) Rents, rates, fees and charges, which may be payable
26 periodically, being in the nature of use or service charges, shall as
27 nearly as the sewerage authority shall deem practicable and equitable
28 be uniform throughout the district for the same type, class and amount
29 of use or service of the sewerage system, except as permitted by
30 section 1 of P.L.1994, c.78 (C.40:14A-8.2), and may be based or
31 computed either on the consumption of water on or in connection with
32 the real property, making due allowance for commercial use of water,
33 or on the number and kind of water outlets on or in connection with
34 the real property, or on the number and kind of plumbing or sewerage
35 fixtures or facilities on or in connection with the real property, or on
36 the number of persons residing or working on or otherwise connected
37 or identified with the real property, or on the capacity of the
38 improvements on or connected with the real property, or on any other
39 factors determining the type, class and amount of use or service of the
40 sewerage system, or on any combination of any such factors, and may
41 give weight to the characteristics of the sewage and other wastes and
42 any other special matter affecting the cost of treatment and disposal
43 thereof, including chlorine demand, biochemical oxygen demand,

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 concentration of solids and chemical composition. In addition to any
2 such periodic service charges, a separate charge in the nature of a
3 connection fee or tapping fee, in respect of each connection of any
4 property with the sewerage system, may be imposed upon the owner
5 or occupant of the property so connected. Such connection charges
6 shall be uniform within each class of users, except as provided by
7 section 2 of P.L.2005, c.29 (C.40:14A-8.3) and section 2 of P.L. ____,
8 c. ____ (C. ____) (pending before the Legislature as this bill), and the
9 amount thereof shall not exceed the actual cost of the physical
10 connection, if made by the authority, plus an amount computed in the
11 following manner to represent a fair payment toward the cost of the
12 system:

13 (1) The amount representing all debt service, including but not
14 limited to sinking funds, reserve funds, the principal and interest on
15 bonds, and the amount of any loans and interest thereon, paid by the
16 sewerage authority to defray the capital cost of developing the system
17 as of the end of the immediately preceding fiscal year of the authority
18 shall be added to all capital expenditures made by the authority not
19 funded by a bond ordinance or debt for the development of the system
20 as of the end of the immediately preceding fiscal year of the authority.

21 (2) Any gifts, contributions or subsidies to the authority received
22 from, and not reimbursed or reimbursable to any federal, State, county
23 or municipal government or agency or any private person, and that
24 portion of amounts paid to the authority by a public entity under a
25 service agreement or service contract which is not repaid to the public
26 entity by the authority, shall then be subtracted.

27 (3) The remainder shall be divided by the total number of service
28 units served by the authority at the end of the immediately preceding
29 fiscal year of the authority, and the results shall then be apportioned
30 to each new connector according to the number of service units
31 attributed to that connector, to produce the connector's contribution
32 to the cost of the system. In attributing service units to each
33 connector, the estimated average daily flow of sewage for the
34 connector shall be divided by the average daily flow of sewage for the
35 average single family residence in the authority's district to produce
36 the number of service units to be attributed.

37 The connection fee shall be recomputed at the end of each fiscal
38 year of the authority, after a public hearing is held in the manner
39 prescribed in subsection (c) of this section. The revised connection fee
40 may be imposed upon those who subsequently connect in that fiscal
41 year to the system. The combination of such connection fee or tapping
42 fee and the aforesaid periodic service charges shall meet the
43 requirements of subsection (c) hereof.

44 (c) The sewerage authority shall prescribe and from time to time
45 when necessary revise a schedule of service charges, which shall
46 comply with the terms of any contract of the sewerage authority and

S2573 RICE

1 in any event shall be such that the revenues of the sewerage authority
2 will at all times be adequate to pay all expenses of operation and
3 maintenance of the sewerage system, including reserves, insurance,
4 extensions, and replacements, and to pay punctually the principal of
5 and interest on any bonds and to maintain such reserves or sinking
6 funds therefor as may be required by the terms of any contract of the
7 sewerage authority or as may be deemed necessary or desirable by the
8 sewerage authority. Said schedule shall thus be prescribed and from
9 time to time revised by the sewerage authority after public hearing
10 thereon which shall be held by the sewerage authority at least 20 days
11 after notice of the proposed adjustment is mailed to the clerk of each
12 municipality serviced by the authority and publication of notice of the
13 proposed adjustment of the service charges and of the time and place
14 of the public hearing in at least two newspapers of general circulation
15 in the area serviced by the authority. The sewerage authority shall
16 provide evidence at the hearing showing that the proposed adjustment
17 of the service charges is necessary and reasonable, and shall provide
18 the opportunity for cross-examination of persons offering such
19 evidence, and a transcript of the hearing shall be made and a copy
20 thereof shall be available upon request to any interested party at a
21 reasonable fee. The sewerage authority shall likewise fix and determine
22 the time or times when and the place or places where such service
23 charges shall be due and payable and may require that such service
24 charges shall be paid in advance for periods of not more than one year.
25 A copy of such schedule of service charges in effect shall at all times
26 be kept on file at the principal office of the sewerage authority and
27 shall at all reasonable times be open to public inspection.

28 (d) Any county sewerage authority may establish sewerage regions
29 in portions of the district. Rents, rates, fees and charges which may
30 be payable periodically, being in the nature of use or service charges,
31 shall as nearly as the sewerage authority shall deem practicable and
32 equitable, be uniform throughout the district for the same type, class
33 and amount of use or service of the sewerage systems, except as
34 permitted by section 1 of P.L.1994, c.78 (C.40:14A-8.2), and shall
35 meet all other requirements of subsection (b) hereof.

36 (cf: P.L.2005, c.29, s.1)

37

38 2. (New section) a. For a unit damaged by a catastrophic event,
39 a county, regional or municipal sewerage authority shall provide,
40 within two years after the date of the catastrophic event, a credit for
41 the connection fee or tapping fee assessed pursuant to section 8 of
42 P.L.1946, c.138 (C.40:14A-8) for connection to the sewerage system,
43 provided that:

44 (1) the unit was damaged by a catastrophic event during
45 construction or refurbishing of the unit;

46 (2) the connection fee or tapping fee has been paid; and

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1 (3) the damaged unit is refurbished or replaced with another unit
2 and connected to the sewerage system within two years after the date
3 of the catastrophic event.

4 If the refurbishing of the damaged unit or the construction of the
5 unit replacing the damaged unit expands the sewerage system use, the
6 property owner of the refurbished unit or the newly constructed unit,
7 as applicable, shall be credited for any connection fee or tapping fee
8 previously paid for the unit and shall be assessed the difference
9 between the credit and the connection fee or tapping fee, as applicable,
10 for the new class of use.

11 b. For the purposes of this section, "catastrophic event" means a
12 fire or any declared national, State or municipal emergency or a flood
13 or other natural disaster or event which substantially affects or
14 damages a building or structure; and "unit" means any publicly or
15 privately owned real property that is a building or part of a building
16 that is connected to, or, after construction or refurbishing, is to be
17 connected to, a sewerage system, and shall include, but shall not be
18 limited to, any building or part of a building leased, operated, or
19 owned by a municipality or a school district.

20
21 3. Section 21 of P.L.1957, c.183 (C.40:14B-21) is amended to
22 read as follows:

23 21. a. Every municipal authority is hereby authorized to charge and
24 collect rents, rates, fees or other charges (in this act sometimes
25 referred to as "water service charges") for direct or indirect connection
26 with, or the use, products or services of, the water system, or for sale
27 of water or water supply services, water supply facilities or products.
28 Such water service charges may be charged to and collected from any
29 person contracting for such connection or use, products or services or
30 for such sale or from the owner or occupant, or both of them, of any
31 real property which directly or indirectly is or has been connected with
32 the water system or to which directly or indirectly has been supplied
33 or furnished such use, products or services of the water system or
34 water or water services, facilities or products, and the owner of any
35 such real property shall be liable for and shall pay such water service
36 charges to the municipal authority at the time when and place where
37 such water service charges are due and payable. Such rents, rates,
38 fees and charges shall as nearly as the municipal authority shall deem
39 practicable and equitable be uniform throughout the district for the
40 same type, class and amount of use, products or services of the water
41 system, except as permitted by section 1 of P.L.1992, c.215
42 (C.40:14B-22.2), and may be based or computed either on the
43 consumption of water on or in connection with the real property, or on
44 the number and kind of water outlets on or in connection with the real
45 property, or on the number and kind of plumbing fixtures or facilities
46 on or in connection with the real property, or on the number of

1 persons residing or working on or otherwise connected or identified
2 with the real property, or on the capacity of the improvements on or
3 connected with the real property, or on any other factors determining
4 the type, class and amount of use, products or services of the water
5 system supplied or furnished, or on any combination of such factors,
6 and may give weight to the characteristics of the water or water
7 services, facilities or products and, as to service outside the district,
8 any other matter affecting the cost of supplying or furnishing the same,
9 including the cost of installation of necessary physical properties.

10 Every municipal authority that furnishes water supply services or
11 operates water supply facilities shall establish a rate structure that
12 provides for uniform water service charges for water supply service
13 and fire protection systems.

14 No municipal authority may impose standby fees or charges for any
15 fire protection system to a residential customer served by a water
16 service line of two inches or less in diameter.

17 Nothing in this section shall preclude a municipal authority from
18 requiring separate dedicated service lines for fire protection. A
19 municipal authority may require that fire service lines be metered.
20 Nothing in this section shall alter the liability for maintenance and
21 repair of service lines which exists on the effective date of P.L.2003,
22 c.278.

23 b. In addition to any such water service charges, a separate charge
24 in the nature of a connection fee or tapping fee, in respect of each
25 connection of any property with the water system, may be imposed
26 upon the owner or occupant of the property so connected. Such
27 connection charges shall be uniform within each class of users, except
28 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and
29 section 5 of P.L. , c. (C.) (pending before the Legislature as
30 this bill), and the amount thereof shall not exceed the actual cost of the
31 physical connection, if made by the authority, plus an amount
32 computed in the following manner to represent a fair payment toward
33 the cost of the system:

34 (1) The amount representing all debt service, including but not
35 limited to sinking funds, reserve funds, the principal and interest on
36 bonds, and the amount of any loans and interest thereon, paid by a
37 municipal authority to defray the capital cost of developing the system
38 as of the end of the immediately preceding fiscal year of the authority
39 shall be added to all capital expenditures made by the authority not
40 funded by a bond ordinance or debt for the development of the system
41 as of the end of the immediately preceding fiscal year of the authority.

42 (2) Any gifts, contributions or subsidies to the authority received
43 from, and not reimbursed or reimbursable to any federal, State, county
44 or municipal government or agency or any private person, and that
45 portion of amounts paid to the authority by a public entity under a
46 service agreement or service contract which is not repaid to the public

1 entity by the authority, shall then be subtracted.

2 (3) The remainder shall be divided by the total number of service
3 units served by the authority at the end of the immediately preceding
4 fiscal year of the authority, and the results shall then be apportioned
5 to each new connector according to the number of service units
6 attributed to that connector, to produce the connector's contribution
7 to the cost of the system. In attributing service units to each
8 connector, the estimated average daily flow of water for the connector
9 shall be divided by the average daily flow of water to the average
10 single family residence in the authority's district, to produce the
11 number of service units to be attributed.

12 c. The connection fee shall be recomputed at the end of each fiscal
13 year of the authority, after a public hearing is held in the manner
14 prescribed in section 23 of P.L.1957, c.183 (C.40:14B-23). The
15 revised connection fee may be imposed upon those who subsequently
16 connect in that fiscal year to the system. The combination of such
17 connection fee or tapping fee and the aforesaid water service charges
18 shall meet the requirements of section 23 of P.L.1957, c.183
19 (C.40:14B-23).

20 d. The foregoing notwithstanding, no municipal authority shall
21 impose any charges or fees in excess of the cost of water actually used
22 for any sprinkler system required to be installed in any residential
23 health care facility pursuant to the "Health Care Facilities Planning
24 Act," P.L.1971, c.136 (C.26:2H-1 et seq.) and regulations
25 promulgated thereunder or in any rooming or boarding house pursuant
26 to the "Rooming and Boarding House Act of 1979," P.L.1979, c.496
27 (C.55:13B-1 et al.) and regulations promulgated thereunder. Nothing
28 herein shall preclude any municipal authority from charging for the
29 actual cost of water main connection, except as provided by section 5
30 of P.L.2005, c.29 (C.40:14B-22.3) and section 5 of P.L. _____, c. _____
31 (C. _____) (pending before the Legislature as this bill).
32 (cf: P.L.2005, c.29, s.3)

33

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

36 22. Every municipal authority is hereby authorized to charge and
37 collect rents, rates, fees or other charges (in this act sometimes
38 referred to as "sewerage service charges") for direct or indirect
39 connection with, or the use or services of, the sewerage system. Such
40 sewerage service charges may be charged to and collected from any
41 person contracting for such connection or use or services or from the
42 owner or occupant, or both of them, of any real property which
43 directly or indirectly is or has been connected with the sewerage
44 system or from or on which originates or has originated sewage or
45 other wastes which directly or indirectly have entered or may enter the
46 sewerage system, and the owner of any such real property shall be

1 liable for and shall pay such sewerage service charges to the municipal
2 authority at the time when and place where such sewerage service
3 charges are due and payable. Such rents, rates, fees and charges, being
4 in the nature of use or service charges, shall as nearly as the municipal
5 authority shall deem practicable and equitable be uniform throughout
6 the district for the same type, class and amount of use or service of the
7 sewerage system, except as permitted by section 1 of P.L.1992, c.215
8 (C.40:14B-22.2), and may be based or computed either on the
9 consumption of water on or in connection with the real property,
10 making due allowance for commercial use of water, or on the number
11 and kind of water outlets on or in connection with the real property,
12 or on the number and kind of plumbing or sewerage fixtures or
13 facilities on or in connection with the real property, or on the number
14 of persons residing or working on or otherwise connected or identified
15 with the real property, or on the capacity of the improvements on or
16 connected with the real property, or on any other factors determining
17 the type, class and amount of use or service of the sewerage system,
18 or on any combination of any such factors, and may give weight to the
19 characteristics of the sewage and other wastes and any other special
20 matter affecting the cost of treatment and disposal of the same,
21 including chlorine demand, biochemical oxygen demand, concentration
22 of solids and chemical composition, and, as to service outside the
23 district, the cost of installation of necessary physical properties.

24 In addition to any such sewerage service charges, a separate charge
25 in the nature of a connection fee or tapping fee, in respect of each
26 connection of any property with the sewerage system, may be imposed
27 upon the owner or occupant of the property so connected. Such
28 connection charges shall be uniform within each class of users, except
29 as provided by section 5 of P.L.2005, c.29 (C.40:14B-22.3) and
30 section 5 of P.L. , c. (C.) (pending before the Legislature as
31 this bill), and the amount thereof shall not exceed the actual cost of the
32 physical connection, if made by the authority, plus an amount
33 computed in the following manner to represent a fair payment towards
34 the cost of the system:

35 a. The amount representing all debt service, including but not
36 limited to sinking funds, reserve funds, the principal and interest on
37 bonds, and the amount of any loans and the interest thereon, paid by
38 the municipal authority to defray the capital cost of developing the
39 system as of the end of the immediately preceding fiscal year of the
40 authority shall be added to all capital expenditures made by a
41 municipal authority not funded by a bond ordinance or debt for the
42 development of the system as of the end of the immediately preceding
43 fiscal year of the authority.

44 b. Any gifts, contributions or subsidies to the authority received
45 from, and not reimbursed or reimbursable to, any federal, State,
46 county or municipal government or agency or any private person, and

1 that portion of amounts paid to the authority by a public entity under
2 a service agreement or service contract which is not repaid to the
3 public entity by the authority, shall then be subtracted.

4 c. The remainder shall be divided by the total number of service
5 units served by the authority at the end of the immediately preceding
6 fiscal year of the authority, and the results shall then be apportioned
7 to each new connector according to the number of service units
8 attributed to that connector. In attributing service units to each
9 connector, the estimated average daily flow of sewage for the
10 connector shall be divided by the average daily flow of sewage from
11 the average single family residence in the authority's district, to
12 produce the number of service units to be attributed.

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

18 The combination of such connection fee or tapping fee and the
19 aforesaid sewerage service charges shall meet the requirements of
20 section 23.

21 (cf: P.L.2005, c.29, s.4)

22
23 5. (New section) a. For a unit damaged by a catastrophic event,
24 a county, regional or municipal utilities authority shall provide, within
25 two years after the date of the catastrophic event, a credit for the
26 connection fee or tapping fee assessed pursuant to section 21 of
27 P.L.1957, c.183 (C.40:14B-21) for connection to the water system, or
28 a credit for the connection fee or tapping fee assessed pursuant to
29 section 22 of P.L.1957, c.183 (C.40:14B-22) for connection to the
30 sewerage system provided that:

31 (1) the unit was damaged by a catastrophic event during
32 construction or refurbishing of the unit;

33 (2) the connection fee or tapping fee has been paid; and

34 (3) the damaged unit is refurbished or replaced with another unit
35 and connected to the water system or the sewerage system, or both,
36 as the case may be, within two years after the date of the catastrophic
37 event.

38 If the refurbishing of the damaged unit or the construction of the
39 unit replacing the damaged unit expands the water system use or the
40 sewerage system use, or both, as the case may be, the property owner
41 of the refurbished unit or the newly constructed unit, as applicable,
42 shall be credited for any connection fee or tapping fee previously paid
43 for the unit and shall be assessed the difference between the credit and
44 the connection fee or tapping fee, as applicable, for the new class of
45 use.

46 b. For the purposes of this section, "catastrophic event" means a

1 fire or any declared national, State or municipal emergency or a flood
2 or other natural disaster or event which substantially affects or
3 damages a building or structure; and "unit" means any publicly or
4 privately owned real property that is a building or part of a building
5 that is connected to, or, after construction or refurbishing, is to be
6 connected to, a water system or a sewerage system, or both, as the
7 case may be, and shall include, but shall not be limited to, any building
8 or part of a building leased, operated, or owned by a municipality or
9 a school district.

10

11 6. This act shall take effect immediately.

12

13

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STATEMENT

15

16 This bill requires regional, county and municipal sewerage
17 authorities created pursuant to the "sewerage authorities law,"
18 P.L.1946, c.138 (C.40:14A-1 et seq.), and regional, county and
19 municipal utility authorities created pursuant to the "municipal and
20 county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.),
21 to waive the connection fee or tapping fee assessed for new
22 connections to the sewer system or water system, or both, whenever
23 the unit has been damaged by a catastrophic event during construction
24 or refurbishing of the unit. For damaged units previously connected
25 to an authority's system and for which a connection or tapping fee was
26 previously paid, the bill requires the authority to apply a credit for
27 those previously paid fees against the connection fee or tapping fee to
28 be assessed for a reconnection with the sewerage system or the water
29 system, or both, that occurs within two years after the date of the
30 catastrophic event that damaged the unit.

31 "Catastrophic event" is defined in the bill as a fire or any declared
32 national, State or municipal emergency or a flood or other natural
33 disaster or event which substantially affects or damages a building or
34 structure, including buildings that are leased, operated or owned by a
35 municipality or a school district.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 2573

STATE OF NEW JERSEY

DATED: MAY 23, 2005

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2573.

This bill would require regional, county and municipal sewerage authorities created pursuant to the "sewerage authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), and regional, county and municipal utility authorities created pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), to provide credits for the connection fee or tapping fee paid for new connections to the sewer system or water system, or both, whenever the unit has been damaged by a catastrophic event during construction or refurbishing of the unit, and the damaged unit is refurbished or replaced and connected to the sewerage system or water system, or both within two years after the date of the catastrophic event.

The bill also provides that if the refurbishing of the damaged unit or the construction of the unit replacing the damaged unit expands the sewerage system use, the property owner of the refurbished unit or the newly constructed unit, as applicable, would be credited for any connection fee or tapping fee previously paid for the unit and would be assessed the difference between the credit and the connection fee or tapping fee, as applicable, for the new class of use.

The bill defines:

"Catastrophic event" as a fire, or any declared national, State or municipal emergency, or a flood, or other natural disaster or event which substantially affects or damages a building or structure, including buildings that are leased, operated or owned by a municipality or a school district; and

"unit" as any publicly or privately owned real property that is a building or part of a building that is connected to, or, after construction or refurbishing, is to be connected to, a sewerage system, and shall include, but shall not be limited to, any building or part of a building leased, operated, or owned by a municipality or a school district.