



Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>

**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

IS 12/13/07

P.L. 2005, CHAPTER 267, *approved January 5, 2006*  
Assembly, No. 2275 (*Second Reprint*)

1 **AN ACT** concerning certain county and municipal water supply  
2 facilities, and amending N.J.S.40A:31-23.

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

6  
7 1. N.J.S.40A:31-23 is amended to read as follows:

8 40A:31-23 a. Nothing contained in this act shall in any way impair  
9 the obligations previously assumed by any other public or private  
10 agency for the provision of water supply services and facilities to the  
11 citizens and industries of this State, or for any other purpose  
12 authorized by any law repealed by N.J.S.40A:31-24.

13 b. In the event a municipal utilities authority has been established  
14 in a local unit pursuant to the provisions of the "municipal and county  
15 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), no  
16 local unit or units shall establish any facility within the territory of that  
17 local unit which is competitive with any water supply facility operated  
18 by that authority.

19 c. No water supply services shall be provided in accordance with  
20 this act to users in another local unit without the prior approval of the  
21 governing body of that other local unit.

22 d. (1) **[Subject]** Except as may otherwise be provided by  
23 subsection e. of this section and subject to the terms of any agreement  
24 entered into by participating local units or between a supplying and  
25 receiving local unit or units and the provisions of this act, a local unit  
26 or local units owning and operating water supply facilities in  
27 accordance with the provisions of N.J.S.40A:31-4, which supply water  
28 to more than 1,000 billed customers within another local unit, shall be  
29 subject to the jurisdiction, regulation and control of the Board of  
30 Public Utilities in accordance with the provisions of Title 48 of the  
31 Revised Statutes. The provisions of this subsection shall not apply  
32 whenever water is supplied to customers in another local unit at bulk  
33 rates.

34 (2) Notwithstanding any provision of this subsection to the  
35 contrary, whenever the governing body of a city of the first class  
36 enters into a contract with a duly incorporated nonprofit association  
37 for the provision of water supply services as defined in subsection (16)  
38 of section 15 of P.L.1971, c.198 (C.40A:11-15), or the designing,  
39 financing, construction, operation, or maintenance, or any combination

**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:**

<sup>1</sup> Senate SEG committee amendments adopted June 16, 2005.

<sup>2</sup> Senate floor amendments adopted June 27, 2005.

1 thereof, of a water supply facility as defined in subsection (16) of  
2 section 15 of P.L.1971, c.198 (C.40A:11-15), and that governing body  
3 operates water supply facilities as authorized pursuant to the  
4 provisions of N.J.S.40A:31-4, which supply water to customers within  
5 another local unit, the nonprofit association or governing body shall  
6 be subject to the jurisdiction, rate regulation and control of the Board  
7 of Public Utilities to the extent the nonprofit association or governing  
8 body supplies water to customers within that other local unit. The  
9 provisions of this paragraph shall apply whenever water is supplied to  
10 customers in another local unit at bulk rates.

11 e. Notwithstanding any law, rule, order or regulation to the  
12 contrary, whenever any supplying local unit or units charge the same  
13 rates or rentals to the billed customers outside of the supplying local  
14 unit or units as are charged to customers within the supplying local  
15 unit or units, the local unit or units owning and operating water supply  
16 facilities in accordance with the provisions of N.J.S.40A:31-4, shall,  
17 with respect to the <sup>1</sup>[service] rates or rentals to be charged to users  
18 of water supply services<sup>1</sup>, be exempt from the jurisdiction, regulation  
19 and control of the Board of Public Utilities. Any increase in rates or  
20 rentals to be charged to users of water supply services shall be  
21 authorized by ordinance <sup>1</sup>[or resolution]<sup>1 2</sup>, in the case of a  
22 municipality, or ordinance or resolution, as appropriate, in the case of  
23 a county<sup>2</sup> or parallel ordinances <sup>1</sup>[or resolutions]<sup>1 2</sup> or resolutions<sup>2</sup>  
24 of the <sup>2</sup>governing body of each <sup>2</sup>supplying local unit or units, as  
25 appropriate. <sup>2</sup>[<sup>1</sup>Notice of the second reading of the ordinance or  
26 parallel ordinances shall be sent by regular mail to billed customers  
27 outside of the supplying local unit or units at least one week prior to  
28 the public hearing of the ordinance or parallel ordinances.] Prior to  
29 adopting a resolution increasing the rates or rentals to be charged to  
30 users of water supply services, the governing body of a county shall  
31 hold a public hearing.<sup>2</sup> Customers outside of the supplying local unit  
32 or units shall have an opportunity to be heard at the public hearing.

33 f. Nothing in subsection e. of this section shall be construed to  
34 exempt any supplying local unit or units supplying billed customers  
35 outside of the supplying local unit or units, from the jurisdiction,  
36 regulation and control of the Board of Public Utilities, with respect to  
37 service and reliability.

38 g. Supplying local units shall continue to pay an assessment to the  
39 Board of Public Utilities in accordance with the provisions of this  
40 section for those billed customers outside of the supplying local units.<sup>1</sup>  
41 (cf: P.L.2002, c.47, s.11)

42

43 2. This act shall take effect immediately.

1

\_\_\_\_\_

2

3 Exempts certain county and municipally-owned water supply facilities

4 from BPU rate regulation.

# ASSEMBLY, No. 2275

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 9, 2004

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**Co-Sponsored by:**

**Assemblyman Vas**

**SYNOPSIS**

Exempts certain county and municipally-owned water supply facilities from BPU regulation.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/25/2005)

1 AN ACT concerning certain county and municipal water supply  
2 facilities, and amending N.J.S.40A:31-23.

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

6  
7 1. N.J.S.40A:31-23 is amended to read as follows:

8 40A:31-23 a. Nothing contained in this act shall in any way impair  
9 the obligations previously assumed by any other public or private  
10 agency for the provision of water supply services and facilities to the  
11 citizens and industries of this State, or for any other purpose  
12 authorized by any law repealed by N.J.S.40A:31-24.

13 b. In the event a municipal utilities authority has been established  
14 in a local unit pursuant to the provisions of the "municipal and county  
15 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), no  
16 local unit or units shall establish any facility within the territory of that  
17 local unit which is competitive with any water supply facility operated  
18 by that authority.

19 c. No water supply services shall be provided in accordance with  
20 this act to users in another local unit without the prior approval of the  
21 governing body of that other local unit.

22 d. (1) **[Subject]** Except as may otherwise be provided by  
23 subsection e. of this section and subject to the terms of any agreement  
24 entered into by participating local units or between a supplying and  
25 receiving local unit or units and the provisions of this act, a local unit  
26 or local units owning and operating water supply facilities in  
27 accordance with the provisions of N.J.S.40A:31-4, which supply water  
28 to more than 1,000 billed customers within another local unit, shall be  
29 subject to the jurisdiction, regulation and control of the Board of  
30 Public Utilities in accordance with the provisions of Title 48 of the  
31 Revised Statutes. The provisions of this subsection shall not apply  
32 whenever water is supplied to customers in another local unit at bulk  
33 rates.

34 (2) Notwithstanding any provision of this subsection to the  
35 contrary, whenever the governing body of a city of the first class  
36 enters into a contract with a duly incorporated nonprofit association  
37 for the provision of water supply services as defined in subsection (16)  
38 of section 15 of P.L.1971, c.198 (C.40A:11-15), or the designing,  
39 financing, construction, operation, or maintenance, or any combination  
40 thereof, of a water supply facility as defined in subsection (16) of  
41 section 15 of P.L.1971, c.198 (C.40A:11-15), and that governing body  
42 operates water supply facilities as authorized pursuant to the  
43 provisions of N.J.S.40A:31-4, which supply water to customers within

**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 another local unit, the nonprofit association or governing body shall  
2 be subject to the jurisdiction, rate regulation and control of the Board  
3 of Public Utilities to the extent the nonprofit association or governing  
4 body supplies water to customers within that other local unit. The  
5 provisions of this paragraph shall apply whenever water is supplied to  
6 customers in another local unit at bulk rates.

7 e. Notwithstanding any law, rule, order or regulation to the  
8 contrary, whenever any supplying local unit or units charge the same  
9 rates or rentals to the billed customers outside of the supplying local  
10 unit or units as are charged to customers within the supplying local  
11 unit or units, the local unit or units owning and operating water supply  
12 facilities in accordance with the provisions of N.J.S.40A:31-4, shall,  
13 with respect to the service, be exempt from the jurisdiction, regulation  
14 and control of the Board of Public Utilities. Any increase in rates or  
15 rentals to be charged to users of water supply services shall be  
16 authorized by ordinance or resolution or parallel ordinances or  
17 resolutions of the supplying local unit or units, as appropriate.

18 (cf: P.L.2002, c.47, s.11)

19

20 2. This act shall take effect immediately.

21

22

23

#### STATEMENT

24

25 This bill amends the "County and Municipal Water Supply Act,"  
26 P.L.1989, c.109, (N.J.S.40A:31-1 et seq.), to provide an exemption  
27 generally from regulation and control by the Board of Public Utilities  
28 for county or municipally-owned water supply facilities that charge the  
29 same rates or rentals to users of water supply services located outside  
30 of the county or municipal boundaries as are charged to customers  
31 within the "supplying local unit or units," as such term is referred to  
32 in N.J.S.40A:31-1 et seq. This bill requires adoption of an ordinance  
33 or resolution, or parallel ordinances or resolutions by the supplying  
34 local unit or units, as appropriate, before rates may be increased.



ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2275**

**STATE OF NEW JERSEY**

DATED: JANUARY 10, 2005

The Assembly Telecommunications and Utilities Committee reports favorably Assembly Bill No. 2275.

As reported, this bill amends the "County and Municipal Water Supply Act," P.L.1989, c.109, (N.J.S.40A:31-1 et seq.), to provide an exemption generally from regulation and control by the Board of Public Utilities for county or municipally-owned water supply facilities that charge the same rates or rentals to users of water supply services located outside of the county or municipal boundaries as are charged to customers within the "supplying local unit or units," as such term is referred to in N.J.S.40A:31-1 et seq. This bill requires adoption of an ordinance or resolution, or parallel ordinances or resolutions by the supplying local unit or units, as appropriate, before rates may be increased.

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2275**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 16, 2005

The Senate Economic Growth Committee reports favorably and with committee amendments Assembly Bill No. 2275.

As amended, this bill amends the "County and Municipal Water Supply Act," P.L.1989, c.109 (N.J.S.40A:31-1 et seq.), to provide an exemption from rate regulation and control by the Board of Public Utilities ("BPU") for county or municipally-owned water supply facilities that charge the same rates or rentals to users of water supply services located outside of the county or municipal boundaries as are charged to customers within the "supplying local unit or units," as such term is referred to in N.J.S.40A:31-1 et seq. This bill requires adoption of an ordinance or parallel ordinances by the supplying local unit or units, as appropriate, before rates may be increased. The bill clarifies that a supplying local unit or units supplying billed customers outside of the supplying local unit or units are not exempt from the jurisdiction, regulation and control of the BPU, with respect to service and reliability and that such supplying local units shall continue to pay an assessment to the BPU in accordance with the provisions of the bill for those billed customers outside of the supplying local units.

The committee amended the bill to: 1) provide an exemption only from rate regulation by the BPU for county or municipally-owned water supply facilities that charge the same rates or rentals to users of water supply services located outside of the county or municipal boundaries as are charged to customers within the supplying local unit or units; 2) clarify that a supplying local unit or units supplying billed customers outside of the supplying local unit or units are not exempt from the jurisdiction, regulation and control of the BPU, with respect to service and reliability and that such supplying local units shall continue to pay an assessment to the BPU in accordance with the provisions of the bill for those billed customers outside of the supplying local units; 3) provide that the notice of the second reading of the ordinance or parallel ordinances shall be sent by regular mail to billed customers outside of the supplying local unit or units at least one week prior to the public hearing of the ordinance or parallel ordinances and that customers outside of the supplying local unit or

units shall have an opportunity to be heard at the public hearing; and  
4) clarify that, before rates may be increased, the supplying local unit  
or units shall adopt the proposal to increase rates via an ordinance or  
parallel ordinances, as appropriate, and not by resolution or parallel  
resolutions.

As amended and released by the committee, Assembly Bill, No.  
2275 is identical to Senate Bill, No. 2367 which was also amended and  
released by the committee on this date.

STATEMENT TO  
[First Reprint]  
**ASSEMBLY, No. 2275**

with Senate Floor Amendments  
(Proposed By Senator ADLER)

ADOPTED: JUNE 27, 2005

These floor amendments restore references to "resolutions" in the bill's provision that, before rates may be increased, the supplying local unit or units shall adopt the proposal to increase rates via an enactment by the unit or units. (The board of freeholders of non-charter counties act as a whole by resolution, not by ordinance.) The amendments clarify that prior to adopting a resolution increasing the rates or rentals to be charged to users of water supply services, the governing body of a county shall hold a public hearing. The amendments remove the provision that the notice of the second reading of the ordinance or parallel ordinances shall be sent by regular mail to billed customers outside of the supplying local unit or units at least one week prior to the public hearing of the ordinance or parallel ordinances.

**SENATE, No. 2367**

---

**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

---

INTRODUCED MARCH 1, 2005

**Sponsored by:**  
**Senator JOHN H. ADLER**  
**District 6 (Camden)**

**SYNOPSIS**

Exempts certain county and municipally-owned water supply facilities from BPU regulation.

**CURRENT VERSION OF TEXT**

As introduced.



S2367 ADLER

2

1 AN ACT concerning certain county and municipal water supply  
2 facilities, and amending N.J.S.40A:31-23.

3

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

6

7 1. N.J.S.40A:31-23 is amended to read as follows:

8 40A:31-23 a. Nothing contained in this act shall in any way impair  
9 the obligations previously assumed by any other public or private  
10 agency for the provision of water supply services and facilities to the  
11 citizens and industries of this State, or for any other purpose  
12 authorized by any law repealed by N.J.S.40A:31-24.

13 b. In the event a municipal utilities authority has been established  
14 in a local unit pursuant to the provisions of the "municipal and county  
15 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), no  
16 local unit or units shall establish any facility within the territory of that  
17 local unit which is competitive with any water supply facility operated  
18 by that authority.

19 c. No water supply services shall be provided in accordance with  
20 this act to users in another local unit without the prior approval of the  
21 governing body of that other local unit.

22 d. (1) **[Subject]** Except as may otherwise be provided by  
23 subsection e. of this section and subject to the terms of any agreement  
24 entered into by participating local units or between a supplying and  
25 receiving local unit or units and the provisions of this act, a local unit  
26 or local units owning and operating water supply facilities in  
27 accordance with the provisions of N.J.S.40A:31-4, which supply water  
28 to more than 1,000 billed customers within another local unit, shall be  
29 subject to the jurisdiction, regulation and control of the Board of  
30 Public Utilities in accordance with the provisions of Title 48 of the  
31 Revised Statutes. The provisions of this subsection shall not apply  
32 whenever water is supplied to customers in another local unit at bulk  
33 rates.

34 (2) Notwithstanding any provision of this subsection to the  
35 contrary, whenever the governing body of a city of the first class  
36 enters into a contract with a duly incorporated nonprofit association  
37 for the provision of water supply services as defined in subsection (16)  
38 of section 15 of P.L.1971, c.198 (C.40A:11-15), or the designing,  
39 financing, construction, operation, or maintenance, or any combination  
40 thereof, of a water supply facility as defined in subsection (16) of  
41 section 15 of P.L.1971, c.198 (C.40A:11-15), and that governing body  
42 operates water supply facilities as authorized pursuant to the  
43 provisions of N.J.S.40A:31-4, which supply water to customers within

**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 another local unit, the nonprofit association or governing body shall  
2 be subject to the jurisdiction, rate regulation and control of the Board  
3 of Public Utilities to the extent the nonprofit association or governing  
4 body supplies water to customers within that other local unit. The  
5 provisions of this paragraph shall apply whenever water is supplied to  
6 customers in another local unit at bulk rates.

7 e. Notwithstanding any law, rule, order or regulation to the  
8 contrary, whenever any supplying local unit or units charge the same  
9 rates or rentals to the billed customers outside of the supplying local  
10 unit or units as are charged to customers within the supplying local  
11 unit or units, the local unit or units owning and operating water supply  
12 facilities in accordance with the provisions of N.J.S.40A:31-4, shall,  
13 with respect to the service, be exempt from the jurisdiction, regulation  
14 and control of the Board of Public Utilities. Any increase in rates or  
15 rentals to be charged to users of water supply services shall be  
16 authorized by ordinance or resolution or parallel ordinances or  
17 resolutions of the supplying local unit or units, as appropriate.

18 (cf: P.L.2002, c.47, s.11)

19

20 2. This act shall take effect immediately.

21

22

23

#### STATEMENT

24

25 This bill amends the "County and Municipal Water Supply Act,"  
26 P.L.1989, c.109 (N.J.S.40A:31-1 et seq.), to provide an exemption  
27 generally from regulation and control by the Board of Public Utilities  
28 for county or municipally-owned water supply facilities that charge the  
29 same rates or rentals to users of water supply services located outside  
30 of the county or municipal boundaries as are charged to customers  
31 within the "supplying local unit or units," as such term is referred to  
32 in N.J.S.40A:31-1 et seq. This bill requires adoption of an ordinance  
33 or resolution, or parallel ordinances or resolutions by the supplying  
34 local unit or units, as appropriate, before rates may be increased.

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 2367**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 16, 2005

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 2367.

As amended, this bill amends the "County and Municipal Water Supply Act," P.L.1989, c.109 (N.J.S.40A:31-1 et seq.), to provide an exemption from rate regulation and control by the Board of Public Utilities ("BPU") for county or municipally-owned water supply facilities that charge the same rates or rentals to users of water supply services located outside of the county or municipal boundaries as are charged to customers within the "supplying local unit or units," as such term is referred to in N.J.S.40A:31-1 et seq. This bill requires adoption of an ordinance or parallel ordinances by the supplying local unit or units, as appropriate, before rates may be increased. The bill clarifies that a supplying local unit or units supplying billed customers outside of the supplying local unit or units are not exempt from the jurisdiction, regulation and control of the BPU, with respect to service and reliability and that such supplying local units shall continue to pay an assessment to the BPU in accordance with the provisions of the bill for those billed customers outside of the supplying local units.

The committee amended the bill to: 1) provide an exemption only from rate regulation by the BPU for county or municipally-owned water supply facilities that charge the same rates or rentals to users of water supply services located outside of the county or municipal boundaries as are charged to customers within the supplying local unit or units; 2) clarify that a supplying local unit or units supplying billed customers outside of the supplying local unit or units are not exempt from the jurisdiction, regulation and control of the BPU, with respect to service and reliability and that such supplying local units shall continue to pay an assessment to the BPU in accordance with the provisions of the bill for those billed customers outside of the supplying local units; 3) provide that the notice of the second reading of the ordinance or parallel ordinances shall be sent by regular mail to billed customers outside of the supplying local unit or units at least one week prior to the public hearing of the ordinance or parallel ordinances and that customers outside of the supplying local unit or units shall have an opportunity to be heard at the public hearing; and



4) clarify that, before rates may be increased, the supplying local unit or units shall adopt the proposal to increase rates via an ordinance or parallel ordinances, as appropriate, and not by resolution or parallel resolutions.

As amended and released by the committee, Senate Bill, No. 2367 is identical to Assembly Bill, No. 2275 which was also amended and released by the committee on this date.

# STATEMENT TO

[First Reprint]

## **SENATE, No. 2367**

with Senate Floor Amendments  
(Proposed By Senator ADLER)

ADOPTED: JUNE 27, 2005

These floor amendments restore references to "resolutions" in the bill's provision that, before rates may be increased, the supplying local unit or units shall adopt the proposal to increase rates via an enactment by the unit or units. (The board of freeholders of non-charter counties act as a whole by resolution, not by ordinance.) The amendments clarify that prior to adopting a resolution increasing the rates or rentals to be charged to users of water supply services, the governing body of a county shall hold a public hearing. The amendments remove the provision that the notice of the second reading of the ordinance or parallel ordinances shall be sent by regular mail to billed customers outside of the supplying local unit or units at least one week prior to the public hearing of the ordinance or parallel ordinances.