

48: 19-18

LEGISLATIVE HISTORY - CHRONOLOGICAL

48:19-18; 40:62-87 et al.; (Sprinkler systems for health care facilities
NJSA 40:14C-8; 40:14B-21 --prohibits stand-by fees by water companies)

LAWS 1981 CHAPTER 514

Bill No. S3483

Sponsor(s) Caufield and Parker

Date Introduced Dec. 3, 1981

Committee: Assembly -----

Senate Institutions, Health and Welfare

Amended during passage Yes * Amendments during passage denoted by asterisks.
Date of Passage: Assembly Jan. 7, 1982 Substituted for A3753 (not attached since identical to S3483)
Senate Dec. 14, 1981

Date of approval Jan. 12, 1982

Following statements are attached if available:

Sponsor statement	Yes	No
Committee Statement: Assembly	Yes	No
Senate	Yes	No
Fiscal Note	Yes	No
Veto Message	Yes	No
Message on signing	Yes	No

Following were printed:

Reports	Yes	No
Hearings	Yes	No

974.90 New Jersey. Assembly. Institutions, Health & Welfare Committee.
H434 Public hearing on "fire safety in long-term care facilities",
1981 held 1-21-81. Trenton, 1981.

(See especially pp.61, 70, 87)

6/22/81

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SENATE, No. 3483

STATE OF NEW JERSEY

INTRODUCED DECEMBER 3, 1981

By Senators CAUFIELD and PARKER

Referred to Committee on Institutions, Health and Welfare

AN ACT to prohibit the imposition by water companies **or authorities** of standby fees for sprinkler systems required by law to be installed in residential health care facilities and rooming and boarding houses **[and]**, amending R. S. 48:19-18 **R. S. 40:62-87, R. S. 40:62-127, R. S. 40:62-139, P. L. 1957, c. 183, P. L. 1975, c. 184 and P. L. 1979, c. 451**.

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

1 1. R. S. 48:19-18 is amended to read as follows:

2 48:19-18. Each water company organized under the laws of
3 this State may sell and dispose of the water issuing from its reser-
4 voirs, aqueducts or pipes for such rates and pursuant to such terms
5 and conditions as are in accordance with its approved tariff on
6 file with the Board of Public **[Utility Commissioners]** **Utilities**;
7 *except that no tariff shall be approved that provides for or allows*
8 *the imposition of any fees in excess of the cost of water actually*
9 *used for any sprinkler system required to be installed in any resi-*
10 *dential health care facility pursuant to the "Health Care Facilities*
11 *Planning Act," P. L. 1971, c. 136 (C. 26:2H-1 et seq.) and regula-*
12 *tions promulgated thereunder or in any rooming or boarding house*
13 *pursuant to the "Rooming and Boarding House Act of 1979,"*
14 *P. L. 1979, c. 496 (C. 55:13B-1 et al.) and regulations promulgated*
15 *thereunder. *Nothing in this amendatory act shall preclude any*
16 *water company from charging for the actual cost of water main*
17 *connection.**

1 *2. R. S. 40:62-87 is amended to read as follows:

2 40:62-87. The governing body may enter into a contract with
3 any person to supply him with water for fire protection, manufac-
4 turing and irrigation and other special purposes, at rates and upon
5 conditions to be designated by the governing body. Thereupon such

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

6 person shall pay to the municipality the rate and all other charges
 7 stipulated in the contract, instead of the usual rates charged in
 8 the municipality, but nothing herein contained shall alter or affect
 9 the lien herein in [sections] *R. S. 40:62-47 to R. S. 40:62-105* [of
 10 this title] imposed for unpaid water rents or rates, nor change the
 11 rights of municipalities to collect unpaid water rates or rents in
 12 accordance with the provisions of [said sections] *R. S. 40:62-47*
 13 *to R. S. 40:62-105. Notwithstanding any provision to the contrary*
 14 *contained in this section or in R. S. 40:62-77, no rates or charges*
 15 *shall include the imposition of any fees in excess of the cost of*
 15A *water actually used for any sprinkler system required to be in-*
 16 *stalled in any residential health care facility pursuant to the*
 17 *“Health Care Facilities Planning Act,” P. L. 1971, c. 136 (C.*
 18 *26:2H-1 et seq.) and regulations promulgated thereunder or in*
 19 *any rooming or boarding house pursuant to the “Rooming and*
 20 *Boarding House Act of 1979,” P. L. 1979, c. 496 (C. 55:13B-1*
 21 *et al.) and regulations promulgated thereunder. Nothing in this*
 22 *amendatory act shall preclude any governing body from charging*
 23 *for the actual cost of water main connection.*

1 3. *R. S. 40:62-127* is amended to read as follows:

2 40:62-127. Such commission may prescribe and change from time
 3 to time rates to be charged for water supplied by the waterworks
 4 so acquired, and by any extension or enlargement thereof, but rates
 5 for the same kind or class of service shall be uniform in all the
 6 municipalities supplied by the waterworks; *except that no rates*
 7 *shall include the imposition of any fees in excess of the cost of*
 8 *water actually used for any sprinkler system required to be*
 9 *installed in any residential health care facility pursuant to the*
 10 *“Health Care Facilities Planning Act,” P. L. 1971, c. 136 (C.*
 11 *26:2H-1 et seq.) and regulations promulgated thereunder or in*
 12 *any rooming or boarding house pursuant to the “Rooming and*
 13 *Boarding House Act of 1979,” P. L. 1979, c. 496 (C. 55:13B-1 et al.)*
 14 *and regulations promulgated thereunder. Nothing in this amenda-*
 15 *tory act shall preclude any commission from charging for the actual*
 16 *cost of water main connection.*

17 The supplying of water to locations beyond the boundaries of
 18 the municipalities owning the waterworks shall be basis for sepa-
 19 rate classification of service to permit reasonable differentiation
 20 of rates. As soon as practicable differentiation of rates. As soon as
 21 practicable after acquiring the waterworks rates shall be prescribed,
 22 and shall be revised from time to time whenever necessary, so that
 23 the waterworks shall be self-supporting, the earnings to be suffi-
 24 cient to provide for all expenses of operation and maintenance and

25 such charges as interest, sinking fund and amortization, so as to
26 prevent any deficit to be paid by taxation from accruing. The
27 interest, sinking fund and amortization shall be construed to
28 include:

29 a. All service on debt heretofore or hereafter incurred by any
30 municipality represented by the commission in connection with the
31 acquisition of such privately-owned waterworks, and any exten-
32 sions thereto and enlargements thereof, heretofore or hereafter
33 formally assumed by the commission or its successors, and

34 b. All service on debt heretofore or hereafter incurred by a
35 municipality represented by the commission, or its successors, and
36 heretofore or hereafter formally assumed by the commission, or its
37 successors, as part of any agreement with the municipality relative
38 to the acquisition, by the commission, or its successors, of the
39 ownership of or the management and control of or the right to
40 use any water supply or part thereof or interest therein or any
41 distribution system of water mains and connections, or any part
42 thereof, which any such municipality may own or control.

43 The provisions of this section shall be deemed a contract with
44 the holders of all obligations which shall be or may have been
45 issued for the purpose of financing such acquisitions or which
46 heretofore have been or may hereafter be issued to refund tempo-
47 rary bonds or obligations issued for such purposes, the payment
48 of any of which obligations, and interest thereon, the commission,
49 or its successors, has heretofore or may hereafter formally assume
50 as aforesaid.

51 The commission and any succeeding commission may prescribe,
52 and alter and enforce all reasonable rules and regulations for the
53 maintenance and operation of the waterworks and the collection of
54 rates.

1 4. R. S. 40:62-139 is amended to read as follows:

2 40:62-139. The commission may enter into a contract with any
3 person to supply such person with water for fire protection; manu-
4 facturing and irrigation and other special purposes, at rates and
5 upon conditions to be designated by the commission. Thereupon
6 such person shall pay to the commission the rate and all other
7 charges stipulated therein, instead of the usual rates charged to
8 other customers of the commission; *except that no rates or charges*
9 *shall include the imposition of any fees in excess of the cost of*
10 *water actually used for any sprinkler system required to be*
11 *installed in any residential health care facility pursuant to the*
12 *“Health Care Facilities Planning Act,” P. L. 1971, c. 136 (C.*
13 *26:2H-1 et seq.) and regulations promulgated thereunder or in any*

14 *rooming or boarding house pursuant to the "Rooming and Board-*
15 *ing House Act of 1979", P. L. 1979, c. 496 (C. 55:13B-1 et al.) and*
16 *regulations promulgated thereunder. Nothing in this amendatory*
17 *act shall preclude any commission from charging for the actual*
18 *cost of water main connection. Nothing herein contained shall alter*
19 *or affect the lien hereinafter imposed for unpaid water rents or*
20 *rates, nor change the rights of the commission to collect unpaid*
21 *water rates or rents in accordance with the provisions hereof.*

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

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

37 In addition to any such water service charges, a separate charge
 38 in the nature of a connection fee or tapping fee, in respect of each
 39 connection of any property with the water system may be imposed
 40 upon the person making such connection or upon the owner or
 41 occupant of the property so connected. Such connection charges
 42 shall be uniform within each class of users and the amount thereof
 43 shall not exceed the actual cost of the physical connection plus an
 44 amount representing the fair contribution of the connecting party
 45 toward the debt service charges on the bonds issued for the installa-
 46 tion and construction of the water system previously paid by users
 47 of the water system, in order that the combination of such connec-
 48 tion fee or tapping fee and the aforesaid water service charges
 49 shall meet the requirements of section 23 (C. 40:14B-23). *The*
 50 *foregoing notwithstanding, no municipal authority shall impose*
 51 *any charges or fees in excess of the cost of water actually used for*
 52 *any sprinkler system required to be installed in any residential*
 53 *health care facility pursuant to the "Health Care Facilities Plan-*
 54 *ning Act," P. L. 1971, c. 136 (C. 26:2H-1 et seq.) and regulations*
 55 *promulgated thereunder or in any rooming or boarding house*
 56 *pursuant to the "Rooming and Boarding House Act of 1979,"*
 57 *P. L. 1979, c. 496 (C. 55:13B-1 et al.) and regulations promulgated*
 58 *thereunder. Nothing in this amendatory act shall preclude any*
 59 *municipal authority from charging for the actual cost of water*
 60 *main connection.*

1 6. Section 1 of P. L. 1975, c. 183 (C. 40:62-85.2) is amended to
 2 read as follows:

3 1. Whenever any municipality solely owning or controlling water-
 4 works or its own water supply is supplying water to more than
 5 1,000 billed customers within any other municipality, the supplying
 6 municipality shall with respect to such service be subject to the
 7 jurisdiction, regulation and control of the Board of Public Utilities
 8 in the same manner and to the same extent as are the services of
 9 public utilities and to that extent and for that purpose such supply-
 10 ing municipality shall be deemed to be a public utility.

11 Whenever any municipality solely owning or controlling water-
 12 works or its own water supply is supplying water to 1,000 or less
 13 billed customers who do not buy water at a bulk rate within any
 14 other municipality, the supplying municipality shall with respect
 15 to such service be exempt from the jurisdiction, regulation and
 16 control of the Board of Public Utilities provided that the revenue
 17 derived from the sale of water outside of its boundaries does not
 18 exceed 25% of its total water revenue.

19 Whenever any supplying municipality is exempt from the juris-
 20 diction, regulation and control of the Board of Public Utilities, the
 21 rates charged to the billed customers within any other municipality
 22 shall be the same as those charged to customers within the supply-
 23 ing municipality. Any increase in the water rates shall be autho-
 24 rized by ordinance. Notice of the second reading of such ordinance
 25 shall be sent by regular mail to billed customers outside of the
 26 supplying municipality at least 1 week prior to the public hearing
 27 for the said ordinance. Such customers shall have an opportunity
 28 to be heard at the public hearing.

29 *No rates or charges shall include the imposition of any fees in*
 30 *excess of the cost of water actually used for any sprinkler system*
 31 *required to be installed in any residential health care facility pur-*
 32 *suant to the "Health Care Facilities Planning Act," P. L. 1971,*
 33 *c. 136 (C. 26:2H-1 et seq.) and regulations promulgated thereunder*
 34 *or in any rooming or boarding house pursuant to the "Rooming*
 35 *and Boarding House Act of 1979," P. L. 1979, c. 496 (C. 55:13B-1*
 36 *et al.) and regulations promulgated thereunder. Nothing in this*
 37 *amendatory act shall preclude any municipality from charging for*
 38 *the actual cost of water main connection.*

1 7. Section 8 of P. L. 1979, c. 451 (C. 40:14C-8) is amended to read
 2 as follows:

3 8. After the commencement of operation of water supply
 4 facilities, the county may prescribe and change from time to time
 5 rates or rentals to be charged for the use of the services of such
 6 facilities. Such rates or rentals being in the nature of use or service
 7 charges or annual rental charges, shall be uniform and equitable
 8 for the same type and class of use or service of such facilities.
 9 Such rates or rentals and types and classes of use and service may
 10 be based on such factors which the governing body of the county
 11 shall deem proper and equitable within the region served by each
 12 facility. *The foregoing notwithstanding, no county shall impose*
 13 *any charges or fees in excess of the cost of water actually used*
 14 *for any sprinkler system required to be installed in any resi-*
 15 *dential health care facility pursuant to the "Health Care Facilities*
 16 *Planning Act," P. L. 1971, c. 136 (C. 26:2H-1 et seq.) and regula-*
 17 *tions promulgated thereunder or in any rooming or boarding house*
 18 *pursuant to the "Rooming and Boarding House Act of 1979,"*
 19 *P. L. 1979, c. 496 (C. 55:13B-1 et al.) and regulations promulgated*
 20 *thereunder. Nothing in this amendatory act shall preclude the*
 21 *governing body of the county from charging for the actual cost of*
 22 *water main connection.**

1 ***[2.]*** *8.* This act shall take effect immediately.

SENATE, No. 3483

STATE OF NEW JERSEY

INTRODUCED DECEMBER 3, 1981

By Senators CAUFELD and PARKER

Referred to Committee on Institutions, Health and Welfare

AN ACT to prohibit the imposition by water companies of standby fees for sprinkler systems required by law to be installed in residential health care facilities and rooming and boarding houses and amending R. S. 48:19-18.

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

1 1. R. S. 48:19-18 is amended to read as follows:

2 48:19-18. Each water company organized under the laws of
3 this State may sell and dispose of the water issuing from its reser-
4 voirs, aqueducts or pipes for such rates and pursuant to such terms
5 and conditions as are in accordance with its approved tariff on
6 file with the Board of Public Utility Commissioners; *except that*
7 *no tariff shall be approved that provides for or allows the imposi-*
8 *tion of any fees in excess of the cost of water actually used for any*
9 *sprinkler system required to be installed in any residential health*
10 *care facility pursuant to the "Health Care Facilities Planning Act,"*
11 *P. L. 1971, c. 136 (C. 26:2H-1 et seq.) and regulations promulgated*
12 *thereunder or in any rooming or boarding house pursuant to the*
13 *"Rooming and Boarding House Act of 1979," P. L. 1979, c. 496*
14 *(55:13B-1 et al.) and regulations promulgated thereunder.*

1 2. This act shall take effect immediately.

STATEMENT

In order to prevent the outbreak of further tragic fires such as those that occurred recently in boarding houses and health care facilities in Bradley Beach and Keansburg, it is essential that owners comply promptly with regulations requiring the installation of sprinkler systems. Owners who have attempted, in good faith, to comply have found the cost to be a major barrier, however. One element of this cost has been sprinkler system standby fees charged by water companies. Since sprinkler systems actually use less water to suppress a fire than is used if water has to be taken from a fire hydrant, the standby fees represent an unreasonable burden that greatly increases the difficulty of getting these essential life safety systems installed.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO
SENATE, No. 3483
with Senate committee amendment

LAW
D

STATE OF NEW JERSEY

DATED: DECEMBER 10, 1981

As amended by committee, this bill prohibits any water company in the State from charging a standby water fee to any residential health care facility or rooming or boarding house which is required to have a sprinkler system.

The committee amended the bill at the request of the sponsor to include all types of water companies in the State rather than only those regulated by the Board of Public Utilities. Also, the committee added a provision to insure that the prohibition on standby fees does not include the charge by water companies for the actual costs of the water main connection. Therefore, under this bill, a water company may charge a boarding facility owner for the cost of the water main connection, but it may not charge the facility any other fees in excess of the cost of water actually used by the sprinkler system.

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