

40:14A-21

LEGISLATIVE HISTORY CHECKLIST

NJSA 40:14A-21; 40:14B-41 (Sewerage authorities—increases interest charge on delinquent accounts)

LAWS 1981 CHAPTER 530

Bill No. A855

Sponsor(s) Albohn and others

Date Introduced Feb. 4, 1980

Committee: Assembly Municipal Government

Senate County & Municipal Government

Amended during passage Yes ~~xxx~~ Amendments denoted by aster

according to Governor's recommendations:
Date of Passage: Assembly June 11, 1981

Re-enacted 1-11-82

Senate Dec. 10, 1981

Re-enacted 1-11-82

Date of approval Jan. 12, 1982

Following statements are attached if available:

Sponsor statement Yes ~~xxx~~

Committee Statement: Assembly Yes ~~xxx~~

Senate ~~xxx~~ No

Fiscal Note ~~xxx~~ No

Veto Message Yes ~~xxx~~

Message on signing ~~xxx~~ No

Following were printed:

Reports ~~xxx~~ No

Hearings ~~xxx~~ No

6/22/81

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 855

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 4, 1980

By Assemblymen ALBOHN, BARRY, REMINGTON, Assemblywoman
BURGIO, Assemblymen DALTON, RILEY and CARDINALE

Referred to Committee on Municipal Government

AN ACT ***[**to amend the "sewerage authorities law," approved
April 23, 1946 (P. L. 1946, c. 138)]* *concerning service charges
of sewerage and utilities authorities and amending P. L. 1946,
c. 138 and P. L. 1957, c. 183*.

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

1 1. Section 21 of P. L. 1946, c. 138 (C. 40:14A-21) is amended to
2 read as follows:

3 21. (a) In the event that a service charge of any sewerage au-
4 thority with regard to any parcel of real property shall not be paid
5 as and when due, interest shall accrue and be due to the sewerage
6 authority on the unpaid balance at the rate of **[**one per centum
7 (1%)**]** *1 1/2%* per month until such service charge, and the interest
8 thereon, shall be fully paid to the sewerage authority.

9 (b) In the event that a service charge of any sewerage authority
10 with regard to any parcel of real property owned by any person
11 other than the State or an agency or subdivision thereof shall not
12 be paid as and when due, the unpaid balance thereof and all interest
13 accruing thereon shall be a lien on such parcel. Such lien shall be
14 superior and paramount to the interest in such parcel of any owner,
15 lessee, tenant, mortgagee or other person except the lien of municipi-
16 pal taxes and shall be on a parity with and deemed equal to the lien
17 on such parcel of the municipality where such parcel is situate for
18 taxes thereon due in the same year and not paid when due. Such
19 lien shall not bind or affect a subsequent bona fide purchaser of such
20 parcel for a valuable consideration without actual notice of such
21 lien, unless the sewerage authority shall have filed in the office of the
22 collector or other officer of said municipality charged with the duty
23 of enforcing municipal liens on real property a statement showing

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

24 the amount and due date of such unpaid balance and identifying
25 such parcel, which identification may be sufficiently made by
26 reference to the assessment map of said municipality. The informa-
27 tion shown in such statement shall be included in any certificate
28 with respect to said parcel thereafter made by the official of said
29 municipality vested with the power to make official certificates
30 of searches for municipal liens. Whenever such service charge and
31 any subsequent service charge with regard to such parcel and all
32 interest accrued thereon shall have been fully paid to the sewerage
33 authority, such statement shall be promptly withdrawn or cancelled
34 by the sewerage authority.

35 (c) In the event that a service charge of any sewerage authority
36 with regard to any parcel of real property shall not be paid as and
37 when due, the sewerage authority may, in its discretion, enter upon
38 such parcel and cause the connection thereof leading directly or
39 indirectly to the sewerage system to be cut and shut off until such
40 service charge and any subsequent service charge with regard to
41 such parcel and all interest accrued thereon shall be fully paid to
42 the sewerage authority.

43 (d) In the event that a service charge of any sewerage authority
44 with regard to any parcel of real property shall not be paid as and
45 when due, the sewerage authority may, in accordance with section
46 twenty-six of this act, cause the supply of water to such parcel to
47 be stopped or restricted until such service charge and any subse-
48 quent service charge with regard to such parcel and all interest
49 accrued thereon shall be fully paid to the sewerage authority. If for
50 any reason such supply of water shall not be promptly stopped or
51 restricted as required by section twenty-six of this act, the sewer-
52 age authority may itself shut off or restrict such supply and, for
53 that purpose, may enter on any lands, waters or premises of any
54 county, municipality or other person. The supply of water to such
55 parcel shall, notwithstanding the provisions of this subsection, be
56 restored or increased if the State Department of Health, upon
57 application of the local board of health or health officer of the
58 municipality where such parcel is situate, shall after public hearing
59 find and shall certify to the sewerage authority that the contin-
60 uance of such stopping or restriction of the supply of water en-
61 dangers the health of the public in such municipality.

62 (e) The collector or other officer of every municipality charged
63 by law with the duty of enforcing municipal liens on real property
64 shall enforce, with and as any other municipal lien on real property
65 in such municipality, all service charges and the lien thereof shown
66 in any statement filed with him by any sewerage authority pursuant

67 to subsection (b) of this section, and shall pay over to the sewerage
68 authority the sums or a pro rata share of the sums realized upon
69 such enforcement or upon liquidation of any property acquired by
70 the municipality by virtue of such enforcement.

71 (f) In the event that any service charge of a sewerage authority
72 shall not be paid as and when due, the unpaid balance thereof and
73 all interest accrued thereon, together with attorneys' fees and costs,
74 may be recovered by the sewerage authority in a civil action, and
75 any lien on real property for such service charge and interest
76 accrued thereon may be foreclosed or otherwise enforced by the
77 sewerage authority by action or suit in equity as for the foreclosure
78 of a mortgage on such real property.

79 (g) All rights and remedies granted by this act for the collection
80 and enforcement of service charges shall be cumulative and con-
81 current.

1 *2. Section 41 of P. L. 1957, c. 183 (C. 40:14B-41) is amended to
2 read as follows:

3 41. In the event that a service charge of any municipal authority
4 with regard to any parcel of real property shall not be paid as
5 and when due, interest shall accrue and be due to the municipal
6 authority on the unpaid balance at the rate of **[1%]** 1 1/2% per
7 month until such service charge, and the interest thereon, shall
8 be fully paid to the municipal authority.*

1 ***[2.]*** *3.* This act shall take effect immediately.

ASSEMBLY, No. 855

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 4, 1980

By Assemblymen ALBOHN, BARRY, REMINGTON, Assemblywoman
BURGIO, Assemblymen DALTON, RILEY and CARDINALE

Referred to Committee on Municipal Government

AN ACT to amend the "sewerage authorities law," approved April
23, 1946 (P. L. 1946, c. 138).

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

1 1. Section 21 of P. L. 1946, c. 138 (C. 40:14A-21) is amended to
2 read as follows:

3 21. (a) In the event that a service charge of any sewerage au-
4 thority with regard to any parcel of real property shall not be paid
5 as and when due, interest shall accrue and be due to the sewerage
6 authority on the unpaid balance at the rate of [one per centum
7 (1%)] **1 1/2%** per month until such service charge, and the interest
8 thereon, shall be fully paid to the sewerage authority.

9 (b) In the event that a service charge of any sewerage authority
10 with regard to any parcel of real property owned by any person
11 other than the State or an agency or subdivision thereof shall not
12 be paid as and when due, the unpaid balance thereof and all interest
13 accruing thereon shall be a lien on such parcel. Such lien shall be
14 superior and paramount to the interest in such parcel of any owner,
15 lessee, tenant, mortgagee or other person except the lien of municip-
16 al taxes and shall be on a parity with and deemed equal to the lien
17 on such parcel of the municipality where such parcel is situate for
18 taxes thereon due in the same year and not paid when due. Such
19 lien shall not bind or affect a subsequent bona fide purchaser of such
20 parcel for a valuable consideration without actual notice of such
21 lien, unless the sewerage authority shall have filed in the office of the
22 collector or other officer of said municipality charged with the duty
23 of enforcing municipal liens on real property a statement showing
24 the amount and due date of such unpaid balance and identifying
25 such parcel, which identification may be sufficiently made by
26 reference to the assessment map of said municipality. The informa-

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

27 tion shown in such statement shall be included in any certificate
28 with respect to said parcel thereafter made by the official of said
29 municipality vested with the power to make official certificates
30 of searches for municipal liens. Whenever such service charge and
31 any subsequent service charge with regard to such parcel and all
32 interest accrued thereon shall have been fully paid to the sewerage
33 authority, such statement shall be promptly withdrawn or cancelled
34 by the sewerage authority.

35 (c) In the event that a service charge of any sewerage authority
36 with regard to any parcel of real property shall not be paid as and
37 when due, the sewerage authority may, in its discretion, enter upon
38 such parcel and cause the connection thereof leading directly or
39 indirectly to the sewerage system to be cut and shut off until such
40 service charge and any subsequent service charge with regard to
41 such parcel and all interest accrued thereon shall be fully paid to
42 the sewerage authority.

43 (d) In the event that a service charge of any sewerage authority
44 with regard to any parcel of real property shall not be paid as and
45 when due, the sewerage authority may, in accordance with section
46 twenty-six of this act, cause the supply of water to such parcel to
47 be stopped or restricted until such service charge and any subse-
48 quent service charge with regard to such parcel and all interest
49 accrued thereon shall be fully paid to the sewerage authority. If for
50 any reason such supply of water shall not be promptly stopped or
51 restricted as required by section twenty-six of this act, the sewer-
52 age authority may itself shut off or restrict such supply and, for
53 that purpose, may enter on any lands, waters or premises of any
54 county, municipality or other person. The supply of water to such
55 parcel shall, notwithstanding the provisions of this subsection, be
56 restored or increased if the State Department of Health, upon
57 application of the local board of health or health officer of the
58 municipality where such parcel is situate, shall after public hearing
59 find and shall certify to the sewerage authority that the contin-
60 uance of such stopping or restriction of the supply of water en-
61 dangers the health of the public in such municipality.

62 (e) The collector or other officer of every municipality charged
63 by law with the duty of enforcing municipal liens on real property
64 shall enforce, with and as any other municipal lien on real property
65 in such municipality, all service charges and the lien thereof shown
66 in any statement filed with him by any sewerage authority pursuant
67 to subsection (b) of this section, and shall pay over to the sewerage
68 authority the sums or a pro rata share of the sums realized upon
69 such enforcement or upon liquidation of any property acquired by
70 the municipality by virtue of such enforcement.

71 (f) In the event that any service charge of a sewerage authority
72 shall not be paid as and when due, the unpaid balance thereof and
73 all interest accrued thereon, together with attorneys' fees and costs,
74 may be recovered by the sewerage authority in a civil action, and
75 any lien on real property for such service charge and interest
76 accrued thereon may be foreclosed or otherwise enforced by the
77 sewerage authority by action or suit in equity as for the foreclosure
78 of a mortgage on such real property.

79 (g) All rights and remedies granted by this act for the collection
80 and enforcement of service charges shall be cumulative and con-
81 current.

1 2. This act shall take effect immediately.

STATEMENT

This bill proposes to increase from 1% to 1½% per month the rate of interest which Sewerage Authorities may charge on delinquent user charges.

Interest rates available to investors now exceed the 1% per month which Sewerage Authorities are permitted to charge delinquent users, thus discouraging prompt payment of user charges.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 855

STATE OF NEW JERSEY

DATED: MAY 4, 1981

This bill amends section 21 of the "Sewerage Authorities Law" (P. L. 1946, c. 138, C. 40:14A-21) to increase from 1% to 1½% the rate of interest which sewerage authorities organized pursuant to the provisions of this law shall charge for service charges which are delinquent.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 855

STATE OF NEW JERSEY

ADOPTED JANUARY 7, 1982

Amend page 1, title, line 1, after "Act", omit remainder of line 1 and "23, 1946 (P. L. 1946, c. 138)" on line 2; insert "concerning service charges of sewerage and utilities authorities and amending P. L. 1946, c. 138 and P. L. 1957, c. 183".

Amend page 3, section 1, after line 81, insert a new section 2 as follows:

"2. Section 41 of P. L. 1957, c. 183 (C. 40:14B-41) is amended to read as follows:

41. In the event that a service charge of any municipal authority with regard to any parcel of real property shall not be paid as and when due, interest shall accrue and be due to the municipal authority on the unpaid balance at the rate of **[1%]** 1 1/2% per month until such service charge, and the interest thereon, shall be fully paid to the municipal authority."

Amend page 3, section 2, line 1, omit "2.", insert "3."

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

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 7, 1982

ASSEMBLY BILL NO. 855

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 855 with my objections and recommendations for amendment.

This bill would increase from 1% to 1 1/2% per month the rate of interest which sewerage authorities organized under the Sewerage Authorities Law, N.J.S.A. 40:14A-1 et seq may charge on delinquent user charges. It would parallel recent increases permitted on delinquent real property tax payments, P.L. 1979, c. 435.

Interest rates available to investors exceed the 1% per month which sewerage authorities are permitted to charge delinquent users, and are discouraging prompt payment of user charges.

The bill as passed, however, covers only a minority of sewerage authorities. Most are organized under the Municipal Utilities Authorities Law, N.J.S.A. 40:14B-1 et seq. The omission was apparently inadvertant.

Accordingly, I herewith return Assembly Bill No. 855 and recommend that it be amended as follows:

Page 1, Title, Line 1: After "Act" omit remainder of line 1 and "23, 1946 (P.L. 1946, c. 138)" on line 2; insert "concerning service charges of sewerage and utilities authorities and amending P.L. 1946, c. 138 and P.L. 1957, c. 183"

Page 2, Section 1, After Line 81: Insert a new section 2 as follows:
"2. Section 41 of P.L. 1957, c. 183
(C. 40:14B-41) is amended to read as follows:

41. In the event that a service charge of any municipal authority with regard to any parcel of real property shall not be paid as and when due, interest shall accrue and be due to the municipal authority on the unpaid balance at the rate of 1 1/2% per month until such service charge, and the interest thereon, shall be fully paid to the municipal authority.

Page 2, Section 2, Line 1: Omit "2." insert "3."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

(seal)

Attest:

/s/ Parold L. Hodges