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Laws of 1975 Chapter 320

Bill No. S951

Sponsor(s) Dumont

Date Introduced March 18, 1974

Committee: Assembly County Government

Senate County & Municipal Government

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of passage: Assembly December 15, 1975

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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

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CHAPTER 320 LAWS OF N. J. 1975
APPROVED 2-20-76

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SENATE, No. 951

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1974

By Senator DUMONT

Referred to Committee on County and 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 8 of P. L. 1946, c. 138 (C. 40:14A-8) is amended to
2 read as follows:

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

17 (b) Rents, rates, fees and charges, which may be payable pe-
18 riodically, being in the nature of use or service charges, shall
19 as nearly as the sewerage authority shall deem practicable and
20 equitable be uniform throughout the district for the same type,
21 class and amount of use or service of the sewerage system, and
22 may be based or computed either on the consumption of water on
23 or in connection with the real property, making due allowance for
24 commercial use of water, or on the number and kind of water out-
25 lets on or in connection with the real property, or on the number
26 and kind of plumbing or sewerage fixtures or facilities on or in
27 connection with the real property, or on the number of persons

28 residing or working on or otherwise connected or identified with
29 the real property, or on the capacity of the improvements on or
30 connected with the real property, or on any other factors deter-
31 mining the type, class and amount of use or service of the sewerage
32 system, or on any combination of any such factors, and may give
33 weight to the characteristics of the sewage and other wastes and
34 any other special matter affecting the cost of treatment and dis-
35 posal thereof, including chlorine demand, biochemical oxygen
36 demand, concentration of solids and chemical composition. In
37 addition to any such periodic service charges, a separate charge in
38 the nature of a connection fee or tapping fee, in respect of each
39 connection of any property with the sewerage system may be im-
40 posed upon the person making such connection or upon the owner
41 or occupant of the property so connected. Such connection charges
42 shall be uniform within each class of users but the amount thereof
43 shall otherwise be entirely within the discretion of the authority
44 in order that the combination of such connection fee or tapping fee
45 and the aforesaid periodic service charges shall meet the require-
46 ments of subsection (c) hereof; *provided, however, that in assess-*
47 *ing any such connection charges, the sewerage authority shall give*
48 *credit in every instance to the owner or occupant of any property*
49 *wherein or whereon any action or improvement has been taken or*
50 *effectuated*, in accordance with such reasonable specifications as*
51 *may be prescribed by the sewerage authority,* which results in a*
52 *reduction of the costs actually incurred by the sewerage authority*
53 *in making such connection below such costs actually incurred in*
54 *making such connections to property wherein or whereon no such*
55 *action or improvement has been taken or effectuated. The amount*
56 *of any such credit shall be equal to the percentage difference*
57 *between the costs actually incurred by the sewerage authority in*
58 *making such connection to a property wherein or whereon such an*
59 *action or improvement has been taken or effectuated, and the*
60 *average during the immediately preceding year of such costs*
61 *actually incurred by the sewerage authority in making such con-*
61A *nections to property wherein or whereon no such action or improve-*
61B *ment has been taken or effectuated.*

62 (c) The sewerage authority shall prescribe and from time to
63 time when necessary revise a schedule of such service charges,
64 which shall comply with the terms of any contract of the sewerage
65 authority and in any event shall be such that the revenues of the
66 sewerage authority will at all times be adequate to pay all expenses
67 of operation and maintenance of the sewerage system, including
68 reserves, insurance, extensions, and replacements, and to pay
69 punctually the principal of and interest on any bonds and to main-

70 tain such reserves or sinking funds therefor as may be required
71 by the terms of any contract of the sewerage authority or as may
72 be deemed necessary or desirable by the sewerage authority. Said
73 schedule shall thus be prescribed and from time to time revised
74 by the sewerage authority after public hearing thereon which shall
75 be held by the sewerage authority at least 7 days after such pub-
76 lished notice as the sewerage authority may determine to be
77 reasonable. The sewerage authority shall likewise fix and deter-
78 mine the time or times when and the place or places where such
79 service charges shall be due and payable and may require that
80 such service charges shall be paid in advance for periods of not
81 more than 1 year. A copy of such schedule of service charges in
82 effect shall at all times be kept on file at the principal office of the
83 sewerage authority and shall at all reasonable times be open to
84 public inspection.

85 (d) Any county sewerage authority may establish sewerage
86 regions in portions of the district. Rent, rates, fees and charges
87 which may be payable periodically, being in the nature of use or
88 service charges, shall as nearly as the sewerage authority shall
89 deem practical and equitable, be uniform throughout the district
90 for the same type, class and amount of use or service of the sewage
91 systems and shall meet all other requirements of subsection (b)
92 hereof.

1 2. This act shall take effect immediately.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 951

STATE OF NEW JERSEY

DATED: APRIL 17, 1975

Senate Bill 951 provides for a reduction in the amount of connection charges which may be levied by a sewerage authority operating pursuant to provisions of the Sewerage Authorities Law under certain circumstances.

This bill requires any such sewerage authority to reduce tapping or connection fees for the connection of any property with the sewerage system of the authority, when the owner or occupant of said property takes any action or makes such improvements which reduce the costs to the authority in making such connections. Senate Bill 951 specifies that the amount of credit for any such action or improvement shall be equal to the percentage difference between the costs actually incurred by the sewerage authority in making the connection on such improved properties, and the average for making such connections in the immediately preceding year on properties on which no such improvements had been made.

The intent and effect of this bill is to reduce the amount of the tapping fee directly attributable to and payable on the costs of the physical installation or connection, to the extent that such installation or connection is made by a party other than the authority; the amount of the reduction is to be equal to that portion of the costs of the physical installation made by such party that would otherwise be paid by the authority.

New Jersey courts have held (see *Colonial Oaks Inc. v. Tp. of East Brunswick* 61 N.J. 560 (1972) and *Deerfield Estates, Inc. v. Tp. of East Brunswick* 60 N.J. 115 (1972)) that the costs of taps or connections made by a developer are not recoverable when such connections are not required by the municipality and when equal treatment is afforded to all developers.