

# SENATE, No. 1073

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 22, 2018

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator CHRISTOPHER "KIP" BATEMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**SYNOPSIS**

Authorizes municipalities, counties, and certain authorities to establish stormwater utilities.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the creation of stormwater utilities and  
2 amending and supplementing various parts of the statutory law.

3

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

6

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

9 2. It is hereby declared to be in the public interest and to be the  
10 policy of the State to foster and promote by all reasonable means  
11 the relief of waters in or bordering the State from pollution and thus  
12 to reduce and ultimately abate the menace to the public health  
13 resulting from such pollution , and to promote the public health and  
14 welfare through appropriate management of stormwater. It is the  
15 purpose and object of this act to further and implement such policy  
16 by:

17 (1) Authorizing counties, or municipalities either separately or  
18 in combination with other municipalities, by means and through the  
19 agency of a sewerage authority, to acquire, construct, maintain,  
20 operate or improve: (a) works for the collection, treatment,  
21 purification or disposal of sewage or other wastes [ , and, ] ; (b) if  
22 necessary, works for the impounding, transportation and release of  
23 water for the replenishment in periods of drought or at other  
24 necessary times of all or a part of waters in or bordering the State  
25 diverted into a sewer, sewage treatment or sewage disposal system  
26 operated by the sewerage authority ; and (c) works for the  
27 collection, storage, treatment, or disposal of stormwater; or to  
28 contract with private firms for the operation or improvement of  
29 works for the collection, storage, treatment, or disposal of  
30 stormwater;

31 (2) Authorizing service charges to occupants or owners of  
32 property for direct or indirect connection with and the use or  
33 services of such works, and providing for the establishment,  
34 collection and enforcement of such charges;

35 (3) Creating as a body corporate and politic sewerage authorities  
36 to have full responsibility and powers with respect to such works  
37 and the establishment, collection, enforcement, use and disposition  
38 of all such service charges;

39 (4) Providing for the financing of such works, for the issuance  
40 of bonds therefor, and for the payment and security of such bonds;  
41 and

42 (5) In general, granting to counties and municipalities and to  
43 such sewerage authorities discretionary powers to provide for  
44 sewerage services designed to relieve pollution of such waters and  
45 for management of stormwater at the expense of the users of 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.

Matter underlined thus is new matter.

1 services or of counties or municipalities or other persons  
2 contracting for or with respect to the same.

3 It is further declared that the acquisition, construction, operation,  
4 and maintenance of stormwater management systems are essential  
5 to the goals of protecting and improving the State's water quality,  
6 and are necessary to prevent and abate nonpoint sources of  
7 pollution, minimize stormwater runoff, control flooding, and  
8 enhance groundwater recharge.

9 (cf: P.L.1953, c.177, s.2)

10

11 2. Section 3 of P.L.1946, c.138 (C.40:14A-3) is amended to  
12 read as follows:

13 3. As used in **【this act】** P.L.1946, c. 138 (C.40:14A-1 et seq.),  
14 unless a different meaning clearly appears from the context:

15 (1) "Municipality" shall mean any city of any class, any  
16 borough, village, town, township, or any other municipality other  
17 than a county or a school district, and except when used in section 4  
18 of P.L.1946, c.138 (C.40:14A-4) or section 21 of 【this act】  
19 P.L.1946, c.138 (C.40:14A-21), any agency thereof or any two or  
20 more thereof acting jointly or any joint meeting or other agency of  
21 any two or more thereof;

22 (2) "County" shall mean any county of any class;

23 (3) "Governing body" shall mean, in the case of a county, the  
24 board of chosen freeholders, or in the case of those counties  
25 organized pursuant to the provisions of the "Optional County  
26 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
27 chosen freeholders and the county executive, the county supervisor  
28 or the county manager, as appropriate, and, in the case of a  
29 municipality, the commission, council, board or body, by whatever  
30 name it may be known, having charge of the finances of the  
31 municipality;

32 (4) "Person" shall mean any person, association, corporation,  
33 nation, State or any agency or subdivision thereof, other than a  
34 county or municipality of the State or a sewerage authority;

35 (5) "Sewerage or water reclamation authority" shall mean a  
36 public body created pursuant to section 4 of **【this act】** P.L.1946, c.  
37 138 (C.40:14A-4);

38 (6) Subject to the exceptions provided in section 4 of **【this act】**  
39 P.L.1946, c. 138 (C.40:14A-4), "district" shall mean the area within  
40 the territorial boundaries of the county, or of the municipality or  
41 municipalities, which created or joined in the creation of a sewerage  
42 authority;

43 (7) "Local unit" shall mean the county, or any municipality,  
44 which created or joined in the creation of a sewerage authority;

45 (8) "Sewerage system" shall mean the plants, structures, on-site  
46 waste-water systems, and other real and personal property acquired,  
47 constructed, maintained or operated or to be acquired, constructed,  
48 maintained or operated by a sewerage authority for the purposes of

1 the sewerage authority, including sewers, conduits, pipe lines,  
2 mains, pumping and ventilating stations, sewage treatment or  
3 disposal systems, plants and works, connections, and outfalls,  
4 compensating reservoirs, and other plants, structures, boats,  
5 conveyances, and other real and personal property, and rights  
6 therein, and appurtenances necessary or useful and convenient for  
7 the management of stormwater, or the collection, treatment,  
8 purification or disposal in a sanitary manner of any sewage, liquid  
9 or solid wastes, night soil or industrial wastes;

10 (9) "Cost" shall mean, in addition to the usual connotations  
11 thereof, the cost of acquisition or construction of all or any part of a  
12 sewerage system and of all or any property, rights, easements,  
13 privileges, agreements and franchises deemed by the sewerage  
14 authority to be necessary or useful and convenient therefor or in  
15 connection therewith and the cost of retiring the present value of the  
16 unfunded accrued liability due and owing by a sewerage authority,  
17 as calculated by the system actuary for a date certain upon the  
18 request of a sewerage authority, for early retirement incentive  
19 benefits granted by the sewerage authority pursuant to P.L.1991,  
20 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
21 cost of issuance of bonds, engineering and inspection costs and  
22 legal expenses, costs of financial, professional and other estimates  
23 and advice, organization, administrative, operating and other  
24 expenses of the sewerage authority prior to and during such  
25 acquisition or construction, and all such other expenses as may be  
26 necessary or incident to the financing, acquisition, construction and  
27 completion of said sewerage system or part thereof and the placing  
28 of the same in operation, and also such provision or reserves for  
29 working capital, operating, maintenance or replacement expenses or  
30 for payment or security of principal of or interest on bonds during  
31 or after such acquisition or construction as the sewerage authority  
32 may determine, and also reimbursements to the sewerage authority  
33 or any county, municipality or other person of any moneys  
34 theretofore expended for the purposes of the sewerage authority or  
35 to any county or municipality of any moneys theretofore expended  
36 for in connection with sanitation facilities;

37 (10) "Real property" shall mean lands both within and without  
38 the State, and improvements thereof or thereon, or any rights or  
39 interests therein;

40 (11) "Construct" and "construction" shall connote and include  
41 acts of construction, reconstruction, replacement, extension,  
42 improvement and betterment of a sewerage system;

43 (12) "Industrial wastes" shall mean liquid or other wastes  
44 resulting from any processes of industry, manufacture, trade or  
45 business or from the development of any natural resource;

46 (13) "Sewage" shall mean the water-carried wastes created in and  
47 carried, or to be carried, away from, or to be processed by on-site  
48 wastewater systems, residences, hotels, apartments, schools,

1 hospitals, industrial establishments, or any other public or private  
2 building, together with such surface or ground water and industrial  
3 wastes as may be present;

4 (14) "On-site wastewater system" means any of several works,  
5 facilities, septic tanks or other devices, used to collect, treat,  
6 reclaim, or dispose of wastewater or sewage on or adjacent to the  
7 property on which the wastewater or sewage is produced, or to  
8 convey such wastewater or sewage from said property to such  
9 facilities as the authority may establish for its disposal;

10 (15) "Pollution" means the condition of water resulting from the  
11 introduction therein of substances of a kind and in quantities  
12 rendering it detrimental or immediately or potentially dangerous to  
13 the public health, or unfit for public or commercial use;

14 (16) "Ordinance" means a written act of the governing body of a  
15 municipality adopted and otherwise approved and published in the  
16 manner or mode of procedure prescribed for ordinances tending to  
17 obligate such municipality pecuniarily;

18 (17) "Resolution" means a written act of the governing body of a  
19 local unit adopted and otherwise approved in the manner or mode of  
20 procedure prescribed for resolutions tending to obligate such local  
21 unit pecuniarily;

22 (18) "Bonds" shall mean bonds or other obligations issued  
23 pursuant to **[this act; and]** P.L.1946, c. 138 (C.40:14A-1 et seq.);

24 (19) "Compensating reservoir" shall mean the structures,  
25 facilities and appurtenances for the impounding, transportation and  
26 release of water for the replenishment in periods of drought or at  
27 other necessary times of all or a part of waters in or bordering the  
28 State diverted into a sewer, sewage treatment or sewage disposal  
29 system operated by the sewerage authority;

30 (20) "Stormwater" shall mean water resulting from precipitation  
31 that: (a) runs off of the land's surface; (b) is transmitted to the  
32 subsurface; (c) is captured by separate storm sewers or other  
33 sewerage or drainage facilities; or (d) is conveyed by snow removal  
34 equipment; and

35 (21) "Stormwater management system" shall mean any  
36 equipment, plant, structures, machinery, apparatus, management  
37 practices, design practices, planning activities, or land, or any  
38 combination thereof, acquired, used, constructed, implemented, or  
39 operated to convey stormwater, control or reduce stormwater runoff  
40 and associated pollutants or flooding, induce or control the  
41 infiltration of groundwater recharge of stormwater, or eliminate  
42 illicit or illegal nonstormwater discharges into stormwater  
43 conveyances.

44 (cf: P.L.2002, c.42, s.4)

45

46 3. Section 6 of P.L.1946, c.138 (C.40:14A-6) is amended to  
47 read as follows:

1       6. (a) The purposes of every sewerage authority shall be (1)  
2 the relief of waters in or bordering the State from pollution arising  
3 from causes within the district and the relief of waters in, bordering  
4 or entering the district from pollution or threatened pollution, and  
5 the consequent improvement of conditions affecting the public  
6 health , and (2) the promotion of the public health and welfare  
7 through appropriate management of stormwater.

8       (b) Every sewerage authority is hereby authorized and directed,  
9 subject to the limitations of **【this act】** P.L.1946, c.138 (C.40:14A-1  
10 et seq.), to acquire, in its own name but for the local unit or units,  
11 by purchase, gift, condemnation or otherwise, and, notwithstanding  
12 the provisions of any charter, ordinance or resolution of any county  
13 or municipality to the contrary, to construct, maintain, operate and  
14 use such trunk, intercepting and outlet sewers, conduits, pipelines,  
15 pumping and ventilating stations, treatment plants or works , or  
16 stormwater management systems at such places within or without  
17 the district, such compensating reservoirs within the county in  
18 which the district lies, and such other plants, structures, boats and  
19 conveyances, as in the judgment of the sewerage authority will  
20 provide an effective and satisfactory method for promoting the  
21 purposes of the sewerage authority.

22       (c) Every sewerage authority is hereby authorized and directed,  
23 when in its judgment its sewerage system or any part thereof will  
24 permit, to collect from any and all public systems within the  
25 district all sewage and stormwater, and treat and dispose of the  
26 same in such manner as to promote the purposes of the sewerage  
27 authority.

28 (cf: P.L.1953, c.177, s.4)

29

30       4. (New section) a. Every sewerage authority is hereby  
31 authorized to charge and collect rents, rates, fees, or other charges  
32 for direct or indirect use or services of its stormwater management  
33 system. The stormwater service charges may be charged to and  
34 collected from the owner or occupant, or both, of any real property.  
35 The owner of any real property shall be liable for and shall pay the  
36 stormwater service charges to the sewerage authority at the time  
37 when and place where these charges are due and payable. The  
38 rents, rates, fees, and charges shall be determined in a manner  
39 consistent with the stormwater utility guidance manual created by  
40 the Department of Environmental Protection pursuant to section 24  
41 of P.L. , c. (C. ) (pending before the Legislature as this bill).

42       b. Any stormwater service charge imposed pursuant to  
43 subsection a. of this section shall be calculated in a manner  
44 consistent with the guidance provided in the stormwater utility  
45 guidance manual created by the Department of Environmental  
46 Protection pursuant to section 24 of P.L. , c. (C. ) (pending  
47 before the Legislature as this bill).

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

3       9. a. Any local unit shall have power, in the discretion of its  
4 governing body, to appropriate moneys for the purposes of the  
5 sewerage authority, and to loan or donate such moneys to the  
6 sewerage authority in such installments and upon such terms as may  
7 be agreed upon between such local unit and the sewerage authority.

8       b. Subject to section 29 of **【this act】** P.L.1946, c.138  
9 (C.40:14A-29), any local unit shall have the power to authorize as a  
10 general improvement or, in the case of a local unit which is a  
11 municipality, as a local improvement the construction and financing  
12 of any facilities for the collection, storage, treatment and disposal of  
13 sewage or stormwater arising within a district. Subject to the  
14 consent and approval of the sewerage authority, such facilities may  
15 be operated by the local unit and the local unit may fix rates and  
16 charges for the use thereof, in addition to the payment of special  
17 assessments levied by a municipality against lands and real estate  
18 specially benefited by such improvements. As provided in section  
19 22 of **【this act】** P.L.1946, c.138 (C.40:14A-22), such facilities may  
20 be acquired and operated by the sewerage authority as part of the  
21 sewerage system, notwithstanding that special assessments may be  
22 or may have been levied for such improvements by a municipality.  
23 (cf: P.L.1970, c.209, s.1)

24  
25       6. Section 23 of P.L.1946, c.138 (C.40:14A-23) is amended to  
26 read as follows:

27       23. Any sewerage authority, for the carrying out and  
28 effectuation of its purposes, and (a) any of the local units or (b) any  
29 other municipality whether within or without the district, and (c)  
30 any other sewerage authority, any municipal authority or any other  
31 public body of the State empowered to collect, store, treat or  
32 dispose of sewage or stormwater (all such local units,  
33 municipalities, other sewerage authorities, municipal authorities and  
34 other public bodies being hereinafter referred to individually as a  
35 "governmental unit") for fostering the relief of waters in, bordering  
36 or entering the territorial area of the governmental unit from  
37 pollution or threatened pollution, promoting the public health and  
38 welfare through appropriate management of stormwater, or assisting  
39 the sewerage authority in carrying out and effectuating its purposes  
40 may enter into a contract or contracts providing for or relating to  
41 the collection, storage, treatment and disposal of sewage or  
42 stormwater originating in the district or received by the sewerage  
43 authority, or originating in the territorial area of or collected by the  
44 governmental unit, by means of the sewerage system or any sewage  
45 or stormwater facilities of the governmental unit or both, and the  
46 cost and expense of such collection, storage, treatment and  
47 disposal, or may enter into a contract with a private firm for the  
48 operation or improvement of works for the collection, storage,

1 treatment or disposal of stormwater, and the cost and expense of  
2 such collection, storage, treatment and disposal. Such contract or  
3 contracts may provide for the payment to the sewerage authority by  
4 the governmental unit annually or otherwise of such sum or sums of  
5 money, computed at fixed amounts or by a formula based on any  
6 factors or other matters described in subsection (b) of section 8 of  
7 **[this act]** P.L.1946, c.138 (C.40:14A-8) or section 4 of P.L. , c.  
8 (C. ) (pending before the Legislature as this bill) or in any other  
9 manner, as said contract or contracts may provide, and the sum or  
10 sums so payable may include provision for all or any part or a share  
11 of the amounts necessary (1) to pay or provide for the expenses of  
12 operation and maintenance of the sewerage system, including  
13 without limitation insurance, extension, betterments and  
14 replacements and the principal of and interest on any bonds, and  
15 (2) to provide for any deficits resulting from failure to receive  
16 sums payable to the sewerage authority by such governmental unit,  
17 any other governmental unit or county, or any person, or from any  
18 other cause, and (3) to maintain such reserves or sinking funds for  
19 any of the foregoing as may be required by the terms of any  
20 contract of the sewerage authority or as may be deemed necessary  
21 or desirable by the sewerage authority. Any such contract may  
22 provide that the sum or sums so payable to the sewerage authority  
23 shall be in lieu of all or any part of the service charges which  
24 would otherwise be charged and collected by the sewerage authority  
25 with regard to persons or real property within the territorial area of  
26 the governmental unit. Such contract or contracts may also contain  
27 provisions as to the financing and payment of expenses to be  
28 incurred by the sewerage authority and determined by it to be  
29 necessary for its purposes prior to the placing in operation of the  
30 sewerage system and may provide for the payment by the  
31 governmental unit to the sewerage authority for application to such  
32 expenses or indebtedness therefor such sum or sums of money,  
33 computed as said contract or contracts may provide and as the  
34 governing body (hereinafter described) of the governmental unit  
35 shall, by virtue of its authorization of and entry into said contract or  
36 contracts, determine to be necessary for the purposes of the  
37 sewerage authority. Every such contract shall be authorized and  
38 entered into under and pursuant to a resolution adopted by the  
39 authority in the case of a sewerage or other authority, an ordinance  
40 of the governing body in the case of a municipality, a resolution of  
41 the governing body in the case of a county, and, in the case of any  
42 other public body, a resolution of the commission, council, board or  
43 body by whatever name it may be known (in this section sometimes  
44 referred to as "governing body" ) having charge of the finances of  
45 such public body, but the terms or text of said contract need not be  
46 set forth in full or stated in any such resolution or ordinance if the  
47 form of said contract is on file in the office of the clerk or other  
48 recording officer of the governmental unit or its governing body



1 and the place and fact of such filing is described in the resolution or  
2 ordinance. Any such contract may be made with or without  
3 consideration and for a specified or an unlimited time and on any  
4 terms and conditions which may be approved by or on behalf of the  
5 governmental unit and which may be agreed to by the sewerage  
6 authority in conformity with its contracts with the holders of any  
7 bonds, and shall be valid whether or not an appropriation with  
8 respect thereto is made by the governmental unit prior to  
9 authorization or execution thereof. Any contract heretofore or  
10 hereafter entered into pursuant to authority of this section shall be  
11 valid and shall be binding upon the parties thereto whether or not  
12 the terms or text of said contract had been set forth in full or stated  
13 in any ordinance or resolution authorizing such contract provided  
14 the form of such contract had been filed as aforesaid and the place  
15 and fact of such filing was described in such ordinance. Every such  
16 governmental unit is hereby authorized and directed to do and  
17 perform any and all acts or things necessary, convenient or  
18 desirable to carry out and perform every such contract and to  
19 provide for the payment or discharge of any obligation thereunder  
20 in the same manner as other obligations of such governmental unit.  
21 Subject to any such contracts with the holders of bonds, the  
22 sewerage authority is hereby authorized to do and perform any and  
23 all acts or things necessary, convenient or desirable to carry out and  
24 perform every such contract and, in accordance with any such  
25 contract, to waive, modify, suspend or reduce the service charges  
26 which would otherwise be charged and collected by the sewerage  
27 authority with regard to persons or real property within the  
28 territorial area of the governmental unit, but nothing in this section  
29 or any such contract shall prevent the sewerage authority from  
30 charging and collecting, as if such contract had not been made,  
31 service charges with regard to such persons and real property  
32 sufficient to meet any default or deficiency in any payments agreed  
33 in such contract to be made by the governmental unit.

34 (cf: P.L.1974, c.165, s.1)

35

36 7. Section 26 of P.L.1946, c.138 (C.40:14A-26) is amended to  
37 read as follows:

38 26. (a) Each county and municipality within the district, and  
39 every person owning or operating any sewer or drain or any system  
40 of water distribution serving three or more parcels of real property  
41 in the district, shall at the request of the sewerage authority make  
42 available to the sewerage authority any and all of its maps, plans,  
43 specifications, records, books, accounts or other data or things  
44 deemed necessary by the sewerage authority for its purposes.

45 (b) Each county, municipality and other public body shall  
46 promptly pay to any sewerage authority all service charges which  
47 the sewerage authority may charge to it, as owner or occupant of  
48 any real property, in accordance with section **[eight of this act]** 8 of

1 P.L.1946, c.138 (C.40:14A-8) or section 4 of P.L. , c. (C. )  
2 (pending before the Legislature as this bill), and shall provide for  
3 the payment thereof in the same manner as other obligations of such  
4 county, municipality or public body.

5 (c) Each county, municipality and other person owning or  
6 operating any sewer or drain which serves three or more parcels of  
7 real property in the district and which discharges sewage or  
8 stormwater into waters in or bordering the State shall, upon notice  
9 from the sewerage authority of its availability and a proposed point  
10 of connection with the sewerage system, cause such sewer or drain  
11 to be connected with the sewerage system at such point and in such  
12 manner as the sewerage authority may specify and shall thereafter  
13 cause said sewer or drain to discharge into the sewerage system.

14 (d) Each county, municipality and other person owning or  
15 operating any system of water distribution serving three or more  
16 parcels of real property in the district shall, from time to time after  
17 request therefor by the sewerage authority, deliver to the sewerage  
18 authority copies of the records made by it in the regular course of  
19 business of the amount of water supplied by it to every such parcel  
20 of real property in the district. Such copies shall be delivered to the  
21 sewerage authority within sixty days after the making of such  
22 records, and the sewerage authority shall pay the reasonable cost of  
23 preparation and delivery of such copies.

24 (e) Each county and municipality owning or operating any  
25 system of water distribution serving three or more parcels of real  
26 property in the district shall, and every other person owning or  
27 operating any such system may, and is hereby authorized to enter  
28 into and perform a contract with the sewerage authority that it will,  
29 upon request by the sewerage authority specifying a parcel of real  
30 property in the district with regard to which a service charge under  
31 section **【eight of this act】** 8 of P.L.1946, c.138 (C.40:14A-8) or  
32 section 4 of P.L. , c. (C. ) (pending before the Legislature as  
33 this bill) is unpaid, cause the supply of water from its system to  
34 such parcel of real property to be stopped or restricted, as the  
35 sewerage authority may request, until such service charge and any  
36 subsequent service charge with regard to such parcel and the  
37 interest accrued thereon shall be fully paid or until the sewerage  
38 authority directs otherwise. No such county, municipality or other  
39 person shall be liable for any loss, damage or other claim based on  
40 or arising out of the stopping or restricting of such supply, and the  
41 sewerage authority shall pay the reasonable cost of so stopping or  
42 restricting such supply and of restoring the same and may agree to  
43 indemnify such county, municipality or other person from all loss or  
44 damage by reason of such stopping or restriction, including loss of  
45 profits.

46 (cf: P.L.1946, c.138, s.26)

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

3       2. It is hereby declared to be in the public interest and to be the  
4 policy of the State to foster and promote by all reasonable means;  
5 the provision and distribution of an adequate supply of water for the  
6 public and private uses of counties and municipalities and their  
7 inhabitants, the collection, disposal and recycling of solid waste,  
8 including sewage sludge, in an environmentally sound manner, the  
9 relief of lands and waters in or bordering the State from pollution,  
10 from domestic, industrial and other sources, including pollution  
11 derived from chemical and hazardous wastes, and thus the reduction  
12 and ultimate abatement of the menace to the public health resulting  
13 from such pollution **[, and]** , the generation of hydroelectric  
14 power , and the promotion of the public health and welfare through  
15 appropriate management of stormwater. It is the purpose and object  
16 of this act to further and implement such policy by:

17       (1) Authorizing counties, or municipalities either separately or  
18 in combination with other municipalities, by means and through the  
19 agency of a municipal authority, to acquire, construct, maintain,  
20 operate or improve works for the accumulation, supply or  
21 distribution of water, works for the collection, treatment, recycling,  
22 and disposal of solid wastes, works for the collection, treatment,  
23 purification or disposal of sewage or other wastes, works for the  
24 collection, storage, treatment, or disposal of stormwater, and works  
25 for the generation of hydroelectric power , or to contract with  
26 private firms for the operation or improvement of works for the  
27 collection, storage, treatment, or disposal of stormwater;

28       (2) Authorizing service charges to occupants or owners of  
29 property for direct or indirect connection with and the use, products  
30 or services of such works, and providing for the establishment,  
31 collection and enforcement of such charges;

32       (3) Creating as bodies corporate and politic municipal  
33 authorities to have full responsibility and powers with respect to  
34 such works and the establishment, collection, enforcement, use and  
35 disposition of all such service charges;

36       (4) roviding for the financing of such works, for the issuance of  
37 bonds therefor, and for the payment and security of such bonds; and

38       (5) In general, granting to counties and municipalities and to  
39 such municipal authorities discretionary powers to provide for  
40 utility services designed to provide or distribute such a supply of  
41 water, to recycle or dispose of solid waste, to relieve pollution of  
42 such waters in or bordering the State , or to manage stormwater, at  
43 the expense of the users of such services or of counties or  
44 municipalities or other persons contracting for or with respect to the  
45 same or to generate hydroelectric power.

46       It is further declared that the acquisition, construction, operation,  
47 and maintenance of stormwater management systems are essential  
48 to the goals of protecting and improving the State's water quality,

1 and are necessary to prevent and abate nonpoint sources of  
2 pollution, minimize stormwater runoff, control flooding, and  
3 enhance groundwater recharge.

4 (cf: P.L.1980, c.34, s.2)

5

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

8 3. As used in **【this act】** P.L.1957, c.183 (C.40:14B-1 et seq.),  
9 unless a different meaning clearly appears from the context:

10 (1) "Municipality" shall mean any city of any class, any  
11 borough, village, town, township, or any other municipality other  
12 than a county or a school district, and except when used in section  
13 4, 5, 6, 11, 12, 13, 42 or 45 of **【this act】** P.L.1957, c.183  
14 (C.40:14B-4, C.40:14B-5, C.40:14B-6, C.40:14B-11, C.40:14B-12,  
15 C.40:14B-13, C.40:14B-42, and C.40:14B-45), any agency thereof  
16 or any two or more thereof acting jointly or any joint meeting or  
17 other agency of any two or more thereof;

18 (2) "County" shall mean any county of any class;

19 (3) "Governing body" shall mean, in the case of a county, the  
20 board of chosen freeholders, or in the case of those counties  
21 organized pursuant to the provisions of the "Optional County  
22 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), the board of  
23 chosen freeholders and the county executive, the county supervisor  
24 or the county manager, as appropriate, and, in the case of a  
25 municipality, the commission, council, board or body, by whatever  
26 name it may be known, having charge of the finances of the  
27 municipality;

28 (4) "Person" shall mean any person, association, corporation,  
29 nation, state or any agency or subdivision thereof, other than a  
30 county or municipality of the State or a municipal authority;

31 (5) "Municipal authority," "authority," or "water reclamation  
32 authority" shall mean a public body created or organized pursuant  
33 to section 4, 5 or 6 of **【this act】** P.L.1957, c.183 (C.40:14B-4,  
34 C.40:14B-5, and C.40:14B-6) and shall include a municipal utilities  
35 authority created by one or more municipalities and a county  
36 utilities authority created by a county;

37 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
38 **【this act】** P.L.1957, c.183 (C.40:14B-10, C.40:14B-11, and  
39 C.40:14B-12), "district" shall mean the area within the territorial  
40 boundaries of the county, or of the municipality or municipalities,  
41 which created or joined in or caused the creation or organization of  
42 a municipal authority;

43 (7) "Local unit" shall mean the county, or any municipality,  
44 which created or joined in or caused the creation or organization of  
45 a municipal authority;

46 (8) "Water system" shall mean the plants, structures and other  
47 real and personal property acquired, constructed or operated or to be  
48 acquired, constructed or operated by a municipal authority or by

1 any person to whom a municipal authority has extended credit for  
2 this purpose for the purposes of the municipal authority, including  
3 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,  
4 pipelines, mains, pumping stations, water distribution systems,  
5 compensating reservoirs, waterworks or sources of water supply,  
6 wells, purification or filtration plants or other plants and works,  
7 connections, rights of flowage or division, and other plants,  
8 structures, boats, conveyances, and other real and personal property,  
9 and rights therein, and appurtenances necessary or useful and  
10 convenient for the accumulation, supply and redistribution of water;

11 (9) "Sewerage system" shall mean the plants, structures, on-site  
12 wastewater systems and other real and personal property acquired,  
13 constructed or operated or to be acquired, constructed, maintained  
14 or operated by a municipal authority or by any person to whom a  
15 municipal authority has extended credit for this purpose for the  
16 purposes of the municipal authority, including sewers, conduits,  
17 pipelines, mains, pumping and ventilating stations, sewage  
18 treatment or disposal systems, plants and works, connections,  
19 outfalls, compensating reservoirs, and other plants, structures,  
20 boats, conveyances, and other real and personal property, and rights  
21 therein, and appurtenances necessary or useful and convenient for  
22 the management of stormwater, or the collection, treatment,  
23 purification or disposal in a sanitary manner of any sewage, liquid  
24 or solid wastes, night soil or industrial wastes;

25 (10) "Utility system" shall mean a water system, solid waste  
26 system, sewerage system, stormwater management system, or a  
27 hydroelectric system or any combination of such systems, acquired,  
28 constructed or operated or to be acquired, constructed or operated  
29 by a municipal authority or by any person to whom a municipal  
30 authority has extended credit for this purpose;

31 (11) "Cost" shall mean, in addition to the usual connotations  
32 thereof, the cost of acquisition or construction of all or any part of a  
33 utility system and of all or any property, rights, easements,  
34 privileges, agreements and franchises deemed by the municipal  
35 authority to be necessary or useful and convenient therefor or in  
36 connection therewith and the cost of retiring the present value of the  
37 unfunded accrued liability due and owing by a municipal authority,  
38 as calculated by the system actuary for a date certain upon the  
39 request of a municipal authority, for early retirement incentive  
40 benefits granted by the municipal authority pursuant to P.L.1991,  
41 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
42 cost of issuance of bonds, engineering and inspection costs and  
43 legal expenses, cost of financial, professional and other estimates  
44 and advice, organization, administrative, operating and other  
45 expenses of the municipal authority prior to and during such  
46 acquisition or construction, and all such other expenses as may be  
47 necessary or incident to the financing, acquisition, construction and  
48 completion of said utility system or part thereof and the placing of

1 the same in operation, and also such provision or reserves for  
2 working capital, operating, maintenance or replacement expenses or  
3 for payment or security of principal of or interest on bonds during  
4 or after such acquisition or construction as the municipal authority  
5 may determine, and also reimbursements to the municipal authority  
6 or any county, municipality or other person of any moneys  
7 theretofore expended for the purposes of the municipal authority or  
8 to any county or municipality of any moneys theretofore expended  
9 for or in connection with water supply, solid waste, water  
10 distribution, sanitation, stormwater, or hydroelectric facilities;

11 (12) "Real property" shall mean lands both within or without the  
12 State, and improvements thereof or thereon, or any rights or  
13 interests therein;

14 (13) "Construct" and "construction" shall connote and include  
15 acts of construction, reconstruction, replacement, extension,  
16 improvement and betterment of a utility system;

17 (14) "Industrial wastes" shall mean liquid or other wastes  
18 resulting from any processes of industry, manufacture, trade or  
19 business or from the development of any natural resource, and shall  
20 include any chemical wastes or hazardous wastes;

21 (15) "Sewage" shall mean the water-carried wastes created in and  
22 carried, or to be carried, away from, or to be processed by on-site  
23 wastewater systems, residences, hotels, apartments, schools,  
24 hospitals, industrial establishments, or any other public or private  
25 building, together with such surface or ground water and industrial  
26 wastes and leachate as may be present;

27 (16) "On-site wastewater system" means any of several facilities,  
28 septic tanks or other devices, used to collect, treat, reclaim, or  
29 dispose of wastewater or sewage on or adjacent to the property on  
30 which the wastewater or sewage is produced, or to convey such  
31 wastewater or sewage from said property to such facilities as the  
32 authority may establish for its disposal;

33 (17) "Pollution" means the condition of water resulting from the  
34 introduction therein of substances of a kind and in quantities  
35 rendering it detrimental or immediately or potentially dangerous to  
36 the public health, or unfit for public or commercial use;

37 (18) "Bonds" shall mean bonds or other obligations issued  
38 pursuant to **【this act】** P.L.1957, c.183 (C.40:14B-1 et seq.);

39 (19) "Service charges" shall mean water service charges, solid  
40 waste service charges, sewer service charges, stormwater service  
41 charges, hydroelectric service charges or any combination of such  
42 charges, as said terms are defined in **【section 21 or 22 of this act or**  
43 **in section 7 of this amendatory and supplementary act】** section 21  
44 or 22 of P.L.1957, c.183 (C.40:14B-21 and C.40:14B-22), section  
45 15 of P.L.1977, c.384 (C.40:14B-22.1), section 13 of P.L. \_\_\_\_\_, c.  
46 (C. \_\_\_\_\_) (pending before the Legislature as this bill), or section 7  
47 of P.L.1980, c.34 (C.40:14B-21.1);

1 (20) "Compensating reservoir" shall mean the structures,  
2 facilities and appurtenances for the impounding, transportation and  
3 release of water for the replenishment in periods of drought or at  
4 other necessary times of all or a part of waters in or bordering the  
5 State diverted into a utility system operated by a municipal  
6 authority;

7 (21) "Sewage or water reclamation authority" shall mean a public  
8 body created pursuant to the "sewerage authorities law," P.L.1946,  
9 c.138 (C.40:14A-1 et seq.) or the acts amendatory thereof or  
10 supplemental thereto;

11 (22) "County sewer authority" shall mean a sanitary sewer  
12 district authority created pursuant to the act entitled "An act relating  
13 to the establishment of sewerage districts in first- and second-class  
14 counties, the creation of Sanitary Sewer District Authorities by the  
15 establishing of such districts, prescribing the powers and duties of  
16 any such authority and of other public bodies in connection with the  
17 construction of sewers and sewage disposal facilities in any such  
18 district, and providing the ways and means for paying the costs of  
19 construction and operation thereof," approved April 23, 1946  
20 (P.L.1946, c.123), or the acts amendatory thereof or supplemental  
21 thereto;

22 (23) "Chemical waste" shall mean a material normally generated  
23 by or used in chemical, petrochemical, plastic, pharmaceutical,  
24 biochemical or microbiological manufacturing processes or  
25 petroleum refining processes, which has been selected for waste  
26 disposal and which is known to hydrolize, ionize or decompose,  
27 which is soluble, burns or oxidizes, or which may react with any of  
28 the waste materials which are introduced into the landfill, or which  
29 is buoyant on water, or which has a viscosity less than that of water  
30 or which produces a foul odor. Chemical waste may be either  
31 hazardous or nonhazardous;

32 (24) "Effluent" shall mean liquids which are treated in and  
33 discharged by sewage treatment plants;

34 (25) "Hazardous wastes" shall mean any waste or combination of  
35 waste which poses a present or potential threat to human health,  
36 living organisms or the environment. "Hazardous waste" shall  
37 include, but not be limited to, waste material that is toxic, corrosive,  
38 irritating, sensitizing, radioactive, biologically infectious, explosive  
39 or flammable;

40 (26) "Leachate" shall mean a liquid that has been in contact with  
41 solid waste and contains dissolved or suspended materials from that  
42 solid waste;

43 (27) "Recycling" shall mean the separation, collection,  
44 processing or recovery of metals, glass, paper, solid waste and other  
45 materials for reuse or for energy production and shall include  
46 resource recovery;

47 (28) "Sludge" shall mean any solid, semisolid, or liquid waste  
48 generated from a municipal, industrial or other sewage treatment

1 plant, water supply treatment plant, or air pollution control facility,  
2 or any other such waste having similar characteristics and effects;  
3 "sludge" shall not include effluent;

4 (29) "Solid waste" shall mean garbage, refuse, and other  
5 discarded materials resulting from industrial, commercial and  
6 agricultural operations, and from domestic and community  
7 activities, and shall include all other waste materials including  
8 sludge, chemical waste, hazardous wastes and liquids, except for  
9 liquids which are treated in public sewage treatment plants and  
10 except for solid animal and vegetable wastes collected by swine  
11 producers licensed by the [State] Department of Agriculture to  
12 collect, prepare and feed such wastes to swine on their own farms;

13 (30) "Solid waste system" shall mean and include the plants,  
14 structures and other real and personal property acquired,  
15 constructed or operated or to be acquired, constructed or operated  
16 by an authority or by any person to whom a municipal authority has  
17 extended credit for this purpose pursuant to the provisions of [this  
18 act] P.L.1957, c.183 (C.40:14B-1 et seq.), including transfer  
19 stations, incinerators, recycling facilities, including facilities for the  
20 generation, transmission and distribution of energy derived from the  
21 processing of solid waste, sanitary landfill facilities or other  
22 property or plants for the collection, recycling or disposal of solid  
23 waste and all vehicles, equipment and other real and personal  
24 property and rights thereon and appurtenances necessary or useful  
25 and convenient for the collection, recycling, or disposal of solid  
26 waste in a sanitary manner;

27 (31) "Hydroelectric system" shall mean the plants, structures and  
28 other real and personal property acquired, constructed or operated  
29 or to be acquired, constructed or operated by an authority pursuant  
30 to the provisions of [this act] P.L.1957, c.183 (C.40:14B-1 et seq.),  
31 including all that which is necessary or useful and convenient for  
32 the generation, transmission and sale of hydroelectric power at  
33 wholesale;

34 (32) "Hydroelectric power" shall mean the production of electric  
35 current by the energy of moving water;

36 (33) "Sale of hydroelectric power at wholesale" shall mean any  
37 sale of hydroelectric power to any person for purposes of resale of  
38 such power;

39 (34) "Alternative electrical energy" shall mean electrical energy  
40 produced from solar, photovoltaic, wind, geothermal, or biomass  
41 technologies, provided that in the case of biomass technology, the  
42 biomass is cultivated and harvested in a sustainable manner;

43 (35) "Alternative electrical energy system" shall mean any  
44 system which uses alternative electrical energy to provide all or a  
45 portion of the electricity for the heating, cooling, or general  
46 electrical energy needs of a building;

47 (36) "Pilot county" shall mean a county of the second class  
48 having a population between 280,000 and 290,000, a population



1 between 510,000 and 520,000, and a population between 530,000  
2 and 540,000 according to the 2010 federal decennial census; **[and]**

3 (37) "Pilot county utilities authority" shall mean a county  
4 utilities authority in a county designated as a pilot county;

5 (38) "Stormwater" shall mean water resulting from precipitation  
6 that: (a) runs off of the land's surface; (b) is transmitted to the  
7 subsurface; (c) is captured by separate storm sewers or other  
8 sewerage or drainage facilities; or (d) is conveyed by snow removal  
9 equipment; and

10 (39) "Stormwater management system" shall mean any  
11 equipment, plant, structures, machinery, apparatus, management  
12 practices, design practices, planning activities, or land, or any  
13 combination thereof, acquired, used, constructed, implemented, or  
14 operated to convey stormwater, control or reduce stormwater runoff  
15 and associated pollutants or flooding, induce or control the  
16 infiltration of groundwater recharge of stormwater, or eliminate  
17 illicit or illegal nonstormwater discharges into stormwater  
18 conveyances.

19 (cf: P.L.2013, c.190, s.3)

20

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

23 6. a. The governing body of any municipality which shall have  
24 created a sewerage authority may, by ordinance duly adopted,  
25 provide and determine that said sewerage authority shall be  
26 reorganized as a municipal authority and thereupon and thereby  
27 cause said sewerage authority to be organized as a public body  
28 corporate and politic existing under and by virtue of **[this act]**  
29 P.L.1957, c.183 (C.40:14B-1 et seq.).

30 b. In any county which has created a sewerage authority or a  
31 county sewer authority or authorities, each such authority shall be  
32 reorganized as a county utilities authority and shall be continued as  
33 a public body corporate and politic existing under and by virtue of  
34 the municipal authorities law, P.L.1957, c.183 (C.40:14B-1 et seq.).  
35 The governing body of any county wherein a sewerage authority or  
36 a county sewer authority or authorities was reorganized pursuant to  
37 this section shall record such reorganization by resolution and file  
38 such resolution with the Secretary of State pursuant to section 7 of  
39 **[this act]** P.L.1957, c.183 (C.40:14B-7).

40 c. No authority reorganized pursuant to this section shall  
41 acquire, construct, maintain, operate or improve a water system, a  
42 solid waste system, a stormwater management system, or a  
43 hydroelectric system until such time as the governing body  
44 authorizes such action, by ordinance in the case of a municipality,  
45 or by resolution in the case of a county.

46 d. Said body shall consist of the members of said sewerage  
47 authority or of said county sewer authority holding office at the  
48 time of such organization, together with successors in such

1 membership appointed as if said sewerage authority or county  
2 sewer authority had originally been created pursuant to section 4 of  
3 **【this act】** P.L.1957, c.183 (C.40:14B-4), and, upon the passage of  
4 **【this amendatory and supplementary act】** P.L.1980, c.34 or upon  
5 the taking effect of such ordinance and the filing of a certified copy  
6 thereof as in section 7 of **【this act】** P.L.1957, c.183 (C.40:14B-7)  
7 provided, said body shall constitute a municipal authority  
8 contemplated and provided for in **【this act】** P.L.1957, c.183  
9 (C.40:14B-1 et seq.) and an agency and instrumentality of said  
10 municipality or county. Said body as such municipal authority shall  
11 have all of the rights and powers granted and be subject to all the  
12 duties and obligations imposed by **【this act】** P.L.1957, c.183  
13 (C.40:14B-1 et seq.) and, subject to the rights (if any) of the  
14 holders of any bonds or other obligations of said sewerage authority  
15 or county sewer authority theretofore issued, said body shall be the  
16 successor in all respects to said sewerage authority or county sewer  
17 authority and forthwith succeed to all of the rights, property, assets  
18 and franchises of said sewerage authority or county sewer authority  
19 and the said bonds or other obligations of said sewerage authority  
20 or county sewer authority shall be assumed by and become the  
21 obligations of said municipal authority, and the property of said  
22 sewerage authority or county sewer authority shall be vested in said  
23 municipal authority. Said body may at any time, by resolution duly  
24 adopted, change its corporate name and adopt the name and  
25 style of " the . municipal utilities authority" with the name of said  
26 municipality or county inserted.

27 (cf: P.L.1985, c.537, s.1)

28

29 11. Section 19 of P.L.1957, c.183 (C.40:14B-19) is amended to  
30 read as follows:

31 19. (a) The purposes of every municipal authority shall be (1)  
32 the provision and distribution of an adequate supply of water for the  
33 public and private uses of the local units, and their inhabitants,  
34 within the district, **【and】** (2) the relief of waters in or bordering the  
35 State from pollution arising from causes within the district and the  
36 relief of waters in, bordering or entering the district from pollution  
37 or threatened pollution, and the consequent improvement of  
38 conditions affecting the public health, (3) the provision of sewage  
39 collection and disposal service within or without the district, **【and】**  
40 (4) the provision of water supply and distribution service in such  
41 areas without the district as are permitted by the provisions of **【this**  
42 **act】** P.L.1957, c.183 (C.40:14B-1 et seq.), **【and】** (5) the provision  
43 of solid waste services and facilities within or without the district in  
44 a manner consistent with the "Solid Waste Management Act,"  
45 P.L.1970, c.39 (C.13:1E-1 et seq.) and in conformance with the  
46 solid waste management plans adopted by the solid waste  
47 management districts created therein, **【and】** (6) the generation,

1 transmission and sale of hydroelectric power at wholesale, (7) the  
2 operation and maintenance of utility systems owned by other  
3 governments located within the district through contracts with said  
4 governments, **and** (8) the provision of stormwater management  
5 services within or without the district, and (9) in the case of an  
6 authority that is a pilot county utilities authority, to fund  
7 improvements to county infrastructure pursuant to the provisions of  
8 subsection b. of section 40 of P.L.1957, c.183 (C.40:14B-40).

9 (b) Every municipal authority is hereby authorized, subject to  
10 the limitations of **this act** P.L.1957, c.183 (C.40:14B-1 et seq.), to  
11 acquire, in its own name but for the local unit or units, by purchase,  
12 gift, condemnation or otherwise, lease as lessee, and,  
13 notwithstanding the provisions of any charter, ordinance or  
14 resolution of any county or municipality to the contrary, to  
15 construct, maintain, operate and use such reservoirs, basins, dams,  
16 canals, aqueducts, standpipes, conduits, pipelines, mains, pumping  
17 and ventilating stations, treatment, purification and filtration plants  
18 or works, trunk, intercepting and outlet sewers, water distribution  
19 systems, waterworks, sources of water supply and wells , and  
20 stormwater management systems at such places within or without  
21 the district, such compensating reservoirs within a county in which  
22 any part of the district lies, and such other plants, structures, boats  
23 and conveyances, as in the judgment of the municipal authority will  
24 provide an effective and satisfactory method for promoting  
25 purposes of the municipal authority.

26 (c) Every municipal authority is hereby authorized and directed,  
27 when in its judgment its sewerage system or any part thereof will  
28 permit, to collect from any and all public systems within the district  
29 all sewage and stormwater and treat and dispose of the same in such  
30 manner as to promote purposes of the municipal authority.

31 (d) Every municipal utilities authority is authorized to promote  
32 the production and use of alternative electrical energy by  
33 contracting with producers of alternative electrical energy for the  
34 installation, construction, maintenance, repair, renewal, relocation,  
35 or removal of alternative electrical energy systems, and for the  
36 purchase of excess alternative electrical energy generated by a  
37 producer of alternative electrical energy. Any purchase or sale of  
38 alternative electrical energy where such energy is distributed using  
39 the infrastructure of a public utility, as that term is defined in  
40 R.S.48:2-13, shall include the payment by the purchaser of all  
41 relevant non-bypassable charges as provided for in the "Electric  
42 Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-49  
43 et al.).

44 (cf: P.L.2013, c.190, s.4)

45

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

1       20. Every municipal authority shall be a public body politic and  
2 corporate constituting a political subdivision of the State  
3 established as an instrumentality exercising public and essential  
4 governmental functions to provide for the public health and welfare  
5 and shall have perpetual succession and have the following powers:

6       (1) To adopt and have a common seal and to alter the same at  
7 pleasure;

8       (2) To sue and be sued;

9       (3) In the name of the municipal authority and on its behalf, to  
10 acquire, hold, use and dispose of its service charges and other  
11 revenues and other moneys;

12       (4) In the name of the municipal authority but for the local unit  
13 or units, to acquire, rent, hold, lease as lessor, use and dispose of  
14 other personal property for the purposes of the municipal authority;

15       (5) In the name of the municipal authority but for the local unit  
16 or units and subject to the limitations of **【this act】** P.L.1957, c.183  
17 (C.40:14B-1 et seq.), to acquire by purchase, gift, condemnation or  
18 otherwise, or lease as lessee, real property and easements therein,  
19 necessary or useful and convenient for the purposes of the  
20 municipal authority, and subject to mortgages, deeds of trust or  
21 other liens, or otherwise, and to hold, lease as lessor, and to use the  
22 same, and to dispose of property so acquired no longer necessary  
23 for the purposes of the municipal authority;

24       (6) To produce, develop, purchase, accumulate, distribute and  
25 sell water and water services, facilities and products within or  
26 without the district, provided that no water shall be sold at retail in  
27 any municipality or county without the district unless the governing  
28 body of such municipality or county shall have adopted a resolution  
29 requesting the municipal authority to sell water at retail in such  
30 municipality or county, and the board of public utility  
31 commissioners shall have approved such resolution as necessary  
32 and proper for the public convenience;

33       (7) To provide for and secure the payment of any bonds and the  
34 rights of the holders thereof, and to purchase, hold and dispose of  
35 any bonds;

36       (8) To accept gifts or grants of real or personal property, money,  
37 material, labor or supplies for the purposes of the municipal or  
38 county authority, and to make and perform such agreements and  
39 contracts as may be necessary or convenient in connection with the  
40 procuring, acceptance or disposition of such gifts or grants;

41       (9) To enter on any lands, waters or premises for the purpose of  
42 making surveys, borings, soundings and examinations for the  
43 purposes of the municipal authority, and whenever the operation of  
44 a septic tank or other component of an on-site wastewater system  
45 shall result in the creation of pollution or contamination source on  
46 private property such that under the provisions of R.S.26:3-49, a  
47 local board of health would have the authority to notify the owner  
48 and require said owner to abate the same, representatives of an

1 authority shall have the power to enter, at all reasonable times, any  
2 premises on which such pollution or contamination source shall  
3 exist, for the purpose of inspecting, rehabilitating, securing samples  
4 of any discharges, improving, repairing, replacing, or upgrading  
5 such septic tank or other component of an on-site wastewater  
6 system;

7 (10) To establish an inspection program to be performed at least  
8 once every three years on all on-site wastewater systems installed  
9 within the district which inspection program shall contain the  
10 following minimum notice provisions: (i) not less than 30 days  
11 prior to the date of the inspection of any on-site wastewater system  
12 as described herein, the authority shall notify the owner and  
13 resident of the property that the inspection will occur; and (ii) not  
14 less than 60 days prior to the date of the performance of any work  
15 other than an inspection, the municipal authority shall provide  
16 notice to the owner and resident of the property in which the work  
17 will be performed. The notice to be provided to such owner and  
18 resident under this subsection shall include a description of the  
19 deficiency which necessitates the work and the proposed remedial  
20 action, and the proposed date for beginning and duration of the  
21 contemplated remedial action;

22 (11) To prepare and file in the office of the municipal authority  
23 records of all inspections, rehabilitation, maintenance, and work,  
24 performed with respect to on-site wastewater disposal systems;

25 (12) To make and enforce bylaws or rules and regulations for the  
26 management and regulation of its business and affairs and for the  
27 use, maintenance and operation of the utility system and any other  
28 of its properties, and to amend the same;

29 (13) To do and perform any acts and things authorized by **【this**  
30 **act】** P.L.1957, c.183 (C.40:14B-1 et seq.) under, through or by  
31 means of its own officers, agents and employees, or by contracts  
32 with any person;

33 (14) To enter into any and all contracts, execute any and all  
34 instruments, and do and perform any and all acts or things  
35 necessary, convenient or desirable for the purposes of the municipal  
36 authority or to carry out any power expressly given in **【this act】**  
37 P.L.1957, c.183 (C.40:14B-1 et seq.) subject to the "Local Public  
38 Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.);

39 (15) To extend credit or make loans to any person for the  
40 planning, designing, acquiring, constructing, reconstructing,  
41 improving, equipping, furnishing, and operating by that person of  
42 any part of a solid waste system, stormwater management system,  
43 sewage treatment system, wastewater treatment or collection system  
44 for the provision of services and facilities within or without the  
45 district, which in the case of a solid waste system shall be in a  
46 manner consistent with the "Solid Waste Management Act,"  
47 P.L.1970, c.39 (C.13:1E-1 et seq.) and in conformance with the  
48 solid waste management plans adopted by the solid waste

1 management districts created therein. The credits or loans may be  
2 secured by loan and security agreements, mortgages, leases and any  
3 other instruments, upon such terms as the authority shall deem  
4 reasonable, including provision for the establishment and  
5 maintenance of reserve and insurance funds, and to require the  
6 inclusion in any mortgage, lease, contract, loan and security  
7 agreement or other instrument, provisions for the construction, use,  
8 operation and maintenance and financing of that part of the  
9 aforementioned systems as the authority may deem necessary or  
10 desirable;

11 (16) Upon the request of a customer: (i) to offer the customer the  
12 ability to receive or access, in electronic format, any periodic bill  
13 for service sent by the municipal authority to its customers and any  
14 additional information sent by the municipal authority to its  
15 customers as required by law, provided that any notice of  
16 disconnection, discontinuance or termination of service shall be  
17 sent to a customer in written form at the customer's legal mailing  
18 address in addition to being sent or being made available in  
19 electronic format; and (ii) to provide the customer the option of  
20 paying any such periodic bill via electronic means; and

21 (17) In the case of an authority that is a pilot county utilities  
22 authority, to fund improvements to county infrastructure pursuant to  
23 the provisions of subsection b. of section 40 of P.L.1957, c.183  
24 (C.40:14B-40).

25 (cf: P.L.2013, c.190, s.5)

26

27 13. (New section) a. Every municipal authority is hereby  
28 authorized to charge and collect rents, rates, fees, or other charges  
29 for stormwater management on any owner or occupant, or both, of  
30 any real property situated in a constituent municipality to be  
31 determined in a manner consistent with the stormwater utility  
32 guidance manual created by the Department of Environmental  
33 Protection pursuant to section 24 of P.L. , c. (C. ) (pending  
34 before the Legislature as this bill). The owner of any real property  
35 shall be liable for and shall pay the stormwater service charges to  
36 the municipal authority at the time when and place where these  
37 charges are due and payable. The rents, rates, fees, and charges  
38 shall be determined in a manner consistent with the stormwater  
39 utility guidance manual created by the Department of  
40 Environmental Protection pursuant to section 24 of  
41 P.L. , c. (C. ) (pending before the Legislature as this bill).

42 b. Any stormwater service charge imposed pursuant to  
43 subsection a. of this section shall be calculated in a manner  
44 consistent with the guidance provided in the stormwater utility  
45 guidance manual created by the Department of Environmental  
46 Protection pursuant to section 24 of P.L. , c. (C. ) (pending  
47 before the Legislature as this bill).

1       14. Section 24 of P.L.1957, c.183 (C.40:14B-24) is amended to  
2 read as follows:

3       24. a. Any local unit shall have power, in the discretion of its  
4 governing body, to appropriate moneys for the purposes of the  
5 municipal authority, and to loan or donate such moneys to the  
6 municipal authority in such installments and upon such terms as  
7 may be agreed upon between such local unit and the municipal  
8 authority.

9       b. Subject to section 61 of **[this act (C. 40:14B-60)]** P.L.1957,  
10 c.183 (C.40:14B-61), any local unit shall have the power to  
11 authorize as a general improvement or, in the case of a local unit  
12 which is a municipality, as a local improvement the construction  
13 and financing of any facilities for the collection, storage, treatment  
14 and disposal of sewage or stormwater or for the collection,  
15 recycling or disposal of solid waste within the district arising within  
16 a district, or any facilities for the distribution of water within a  
17 district. Subject to the consent and approval of the municipal  
18 authority, such facilities may be operated by the local unit and the  
19 local unit may fix rates and charges for the use thereof, in addition  
20 to the payment of any special assessments levied by a municipality  
21 against lands and real estate specially benefited by such  
22 improvements. As provided in section 48 of **[this act]** P.L.1957,  
23 c.183 (C.40:14B-48), such facilities may be acquired and operated  
24 by the municipal authority as a part of the utility system,  
25 notwithstanding that special assessments may be or may have been  
26 levied for such improvements by a municipality.

27 (cf: P.L.1977, c.384, s.11)

28

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

31       44. In the event that a sewer service charge or stormwater  
32 service charge of any municipal authority with regard to any parcel  
33 of real property shall not be paid as and when due, the municipal  
34 authority may, in accordance with section 57 of **[this act]** P.L.1957,  
35 c.183 (C.40:14B-57), cause the supply of water to such parcel by  
36 any county, municipality or other person to be stopped or restricted  
37 until such sewer service charge or stormwater service charge and  
38 any subsequent sewer service charge or stormwater service charge  
39 with regard to such parcel and all interest accrued thereon shall be  
40 fully paid to the municipal authority. If for any reason such supply  
41 of water shall not be promptly stopped or restricted as required by  
42 section 57 of **[this act]** P.L.1957, c.183 (C.40:14B-57), the  
43 municipal authority may itself shut off or restrict such supply and,  
44 for that purpose, may enter on any lands, waters or premises of any  
45 county, municipality or other person. Such supply of water to such  
46 parcel shall, notwithstanding the provisions of this section, be  
47 restored or increased if the **[State]** Department of Health, upon

1 application of the local board of health or health officer of the  
2 municipality where such parcel is situate, shall after public hearing  
3 find and shall certify to the municipal authority that the continuance  
4 of such stopping or restriction of such supply of water endangers  
5 the health of the public in such municipality.

6 (cf: P.L.1957, c.183, s.44)

7

8 16. Section 48 of P.L.1957, c.183 (C.40:14B-48) is amended to  
9 read as follows:

10 Any county, by resolution of its governing body, or any  
11 municipality, by ordinance of its governing body, or any other  
12 person is hereby empowered, without any referendum, to sell, lease,  
13 lend, grant or convey to any municipal authority, or to permit any  
14 municipal authority to use, maintain or operate as part of the utility  
15 system, any real or personal property owned by it, including all or  
16 any part of any water supply, water distribution, stormwater  
17 management, or sewerage facilities, which may be necessary or  
18 useful and convenient for the purposes of the municipal authority  
19 and accepted by the municipal authority. Any such sale, lease,  
20 loan, grant, conveyance or permit may be made with or without  
21 consideration and for a specified or an unlimited period of time and  
22 under any agreement and on any terms and conditions which may  
23 be approved by such county, municipality or other person and  
24 which may be agreed to by the municipal authority in conformity  
25 with its contracts with the holders of any bonds. Subject to any  
26 such contracts with holders of bonds, the municipal authority may  
27 enter into and perform any and all agreements with respect to  
28 property so accepted by it, including agreements for the assumption  
29 of principal or interest or both of indebtedness of such county,  
30 municipality or other person or of any mortgage or lien existing  
31 with respect to such property or for the operation and maintenance  
32 of such property as part of the utility system.

33 (cf: P.L.1957, c.183, s.48)

34

35 17. Section 49 of P.L.1957, c.183 (C.40:14B-49) is amended to  
36 read as follows:

37 49. Any municipal authority for the carrying out and  
38 effectuation of its purposes, and (a) any of the local units (b) any  
39 other municipality whether within or without the district and (c) any  
40 other municipal authority, any sewerage authority or any other  
41 public body of the State empowered to treat or dispose of sewage or  
42 solid waste (all such local units, municipalities, other municipal  
43 authorities, sewerage authorities and other bodies being hereinafter  
44 referred to individually as a "governmental unit" ) for fostering the  
45 relief of waters in, bordering or entering the territorial area of the  
46 governmental unit from pollution or threatened pollution or  
47 assisting the municipal authority in carrying out and effectuating its  
48 purposes, may enter into a contract or contracts providing for or



1 relating to the collection, storage, treatment and disposal of  
2 sewage, stormwater or solid waste originating in the district or  
3 received by the municipal authority, or originating in the territorial  
4 area of or collected by the governmental unit, by means of the  
5 sewerage, stormwater management or solid waste system or any  
6 sewerage, stormwater management or solid waste facilities of the  
7 governmental unit or both, and the cost and expense of such  
8 collection, storage, treatment and disposal, or may enter into a  
9 contract with a private firm for the operation or improvement of a  
10 stormwater management system for the collection, treatment or  
11 disposal of stormwater, and the cost and expense of such collection,  
12 treatment and disposal. Any municipal authority for the carrying out  
13 and effectuation of its purposes, and (a) any of the local units (b)  
14 any other municipality whether within or without the district and (c)  
15 any other municipal authority, any sewerage authority or any other  
16 public body of the State empowered to sell and supply water (all  
17 such local units, municipalities, other municipal authorities,  
18 sewerage authorities and other bodies being hereinafter referred to  
19 individually as a "governmental unit" ) for fostering the provision  
20 and distribution of an adequate supply of water within the territorial  
21 area of the governmental unit or assisting the municipal authority in  
22 carrying out and effectuating its purposes may enter into a contract  
23 or contracts providing for or relating to the sale or supplying of  
24 water to such municipal authority or to the governmental unit or to  
25 persons or properties within the district or the governmental unit,  
26 and the cost and expense of such sale or supplying of water. Any  
27 such contract may provide for the payment to the municipal  
28 authority by the governmental unit annually or otherwise of such  
29 sum or sums of money, computed at fixed amounts or by a formula  
30 based on any factors or other matters described in section 21 **【**or  
31 **】** of P.L.1957, c.183 (C.40:14B-21), section 22  
32 of P.L.1957, c.183 (C.40:14B-22), or section 13 of  
33 P.L. , c. (C. ) (pending before the Legislature as this bill) or  
34 in any other manner, as said contract or contracts may provide, and  
35 may provide that the sum or sums so payable to the municipal  
36 authority shall be in lieu of all or any part of the service charges  
37 which would otherwise be charged and collected by the municipal  
38 authority with regard to persons or real property within the  
39 territorial area of the governmental unit. Such contract or contracts  
40 may also contain provisions as to the financing and payment of  
41 expenses to be incurred by the municipal authority and determined  
42 by it to be necessary for its purposes prior to the placing in  
43 operation of a sewerage, stormwater management, solid waste or  
44 water supply and distribution system and may provide for the  
45 payment by the governmental unit to the municipal authority for  
46 application to such expenses or indebtedness therefor such sum or  
47 sums of money, computed as said contract or contracts may provide  
48 and as the governing body (hereinafter described) of the

1 governmental unit shall, by virtue of its authorization of and entry  
2 into said contract or contracts, determine to be necessary for the  
3 purposes of the municipal authority. Every such contract shall be  
4 authorized and entered into under and pursuant to a resolution  
5 adopted by the authority in the case of municipal or other authority,  
6 an ordinance of the governing body in the case of a municipality, a  
7 resolution or ordinance of the governing body in the case of a  
8 county, and, in the case of any other public body, a resolution of the  
9 commission, council, board or body by whatever name it may be  
10 known (in this section sometimes referred to as "governing body" )  
11 having charge of the finances of such public body, but the terms or  
12 text of said contract need not be set forth in full or stated in any  
13 such resolution or ordinance if the form of said contract is on file in  
14 the office of the clerk or other recording officer of the governmental  
15 unit or its governing body and the place in fact of such filing is  
16 described in the resolution or ordinance. Any such contract may be  
17 made with or without consideration and for a specified or an  
18 unlimited time and on any terms and conditions which may be  
19 approved by or on behalf of the governmental unit and which may  
20 be agreed to by the municipal authority in conformity with its  
21 contracts with the holders of any bonds, and shall be valid whether  
22 or not an appropriation with respect thereto is made by the  
23 governmental unit prior to authorization or execution thereof.  
24 Every such governmental unit is hereby authorized and directed to  
25 do and perform any and all acts or things necessary, convenient or  
26 desirable to carry out and perform every such contract and to  
27 provide for the payment or discharge of any obligation thereunder  
28 in the same manner as other obligations of such governmental unit.  
29 Subject to any such contracts with the holders of bonds, the  
30 municipal authority is hereby authorized to do and perform any and  
31 all acts or things necessary, convenient or desirable to carry out and  
32 perform every such contract and, in accordance with any such  
33 contract, to waive, modify, suspend or reduce the service charges  
34 which would otherwise be charged and collected by the municipal  
35 authority with regard to persons or real property within the  
36 territorial area of the governmental unit, but nothing in this section  
37 or any such contract shall prevent the municipal authority from  
38 charging and collecting, as if such contract had not been made,  
39 service charges with regard to such persons and real property  
40 sufficient to meet any default or deficiency in any payments agreed  
41 in such contract to be made by such governmental unit.

42 (cf: P.L.1979, c.86, s.14)

43

44 18. Section 54 of P.L.1957, c.183 (C.40:14B-54) is amended to  
45 read as follows:

46 54. Each county, municipality and other public body shall  
47 promptly pay to any municipal authority all service charges which  
48 the municipal authority may charge to it, as owner or occupant of

1 any real property, in accordance with section 21 **【**or section 22 of  
2 this act**】** of P.L.1957, c.183 (C.40:14B-21), section 22 of P.L.1957,  
3 c.183 (C.40:14B-22), or section 13 of P.L. , c. (C. )  
4 (pending before the Legislature as this bill), and shall provide for  
5 the payment thereof in the same manner as other obligations of such  
6 county, municipality or public body.  
7 (cf: P.L.1957, c.183, s.54)  
8

9 19. Section 57 of P.L.1957, c.183 (C.40:14B-57) is amended to  
10 read as follows:

11 Each county and municipality owning or operating any system of  
12 water distribution serving **【3】** three or more parcels of real property  
13 in the district shall, and every other person owning or operating any  
14 such system may and is hereby authorized to enter into and perform  
15 a contract with the municipal authority that it will, upon request by  
16 the municipal authority specifying a parcel of real property in the  
17 district with regard to which a service charge under section 22 of  
18 **【this act】** P.L.1957, c.183 (C.40:14B-22) or section 13 of P.L. , c.  
19 (C. ) (pending before the Legislature as this bill) is unpaid,  
20 cause the supply of water from its system to such parcel of real  
21 property to be stopped or restricted, as the municipal authority may  
22 request, until such service charge and any subsequent service  
23 charge with regard to such parcel and the interest accrued thereon  
24 shall be fully paid or until the municipal authority directs otherwise.  
25 No such county, municipality or other person shall be liable for any  
26 loss, damage or other claim based on or arising out of the stopping  
27 or restricting of such supply, and the municipal authority shall pay  
28 the reasonable cost of so stopping or restricting such supply and of  
29 restoring the same and may agree to indemnify such county,  
30 municipality or other person from all loss or damage by reason of  
31 such stopping or restriction, including loss of profits.  
32 (cf: P.L.1957, c.183, s.57)  
33

34 20. Section 60 of P.L.1957, c.183 (C.40:14B-60) is amended to  
35 read as follows:

36 60. (a) No county, municipality or person shall discharge or  
37 suffer to be discharged directly or indirectly into any waters in or  
38 bordering a district any sewage which may or will cause or  
39 contribute to the pollution of such waters; provided, that this  
40 prohibition shall be applicable only to such part or parts of such  
41 waters as are in an area of the district bounded and described in a  
42 notice, inserted at least once in a newspaper published or circulating  
43 in the district, to the effect that the municipal authority has  
44 provided facilities reasonably sufficient in its opinion for the  
45 treatment and disposal of sewage which by discharge into such  
46 waters might cause or contribute to pollution of such waters, and  
47 that pollution of such waters is forbidden by law. Such a notice

1 shall constitute prima facie evidence of the existence of facilities  
2 sufficient for the treatment and disposal of all such sewage.

3 (b) No county, municipality or person shall discharge or suffer  
4 to be discharged directly or indirectly into the sewage system , the  
5 stormwater management system, or the solid waste system of any  
6 municipal authority any matter or thing which is or may be  
7 injurious or deleterious to such sewerage system , stormwater  
8 management system, or solid waste system or to its efficient  
9 operation.

10 (c) No county, municipality or person shall discharge or suffer  
11 to be discharged directly or indirectly into the water system of any  
12 municipal authority or on any lands or into any waters tributary to  
13 such water system any matter or thing which is or may be injurious  
14 or deleterious to such water system or to its efficient operation or  
15 may or will cause or contribute to a danger to the health of the  
16 public in the district.

17 (d) Any county, municipality or person may be restrained,  
18 enjoined or otherwise prevented from violating or continuing the  
19 violation of any provision of this section in a proceeding in lieu of  
20 prerogative writ, or other appropriate proceeding, or in an action for  
21 injunctive or other relief instituted by a municipal authority or by  
22 any county prosecutor.

23 (e) No violation of any provision of this section shall be deemed  
24 to have occurred by reason of the discharge of sewage from any  
25 boat or vessel while afloat or on a marine railway in drydock.

26 (cf: P.L.1977, c.384, s.14)

27

28 21. Section 2 of P.L.1960, c.183 (C.40:37A-45) is amended to  
29 read as follows:

30 2. As used in **[this act]** P.L.1960, c.183 (C.40:37A-44 et seq.),  
31 unless a different meaning clearly appears from the context:

32 (a) "Authority" shall mean a public body created pursuant to  
33 **[this act]** P.L.1960, c.183 (C.40:37A-44 et seq.);

34 (b) "Bond resolution" shall have the meaning ascribed thereto in  
35 section 17 of P.L.1960, c.183 (C.40:37A-60);

36 (c) "Bonds" shall mean bonds, notes or other obligations issued  
37 pursuant to this act;

38 (d) "Construct" and "construction" shall connote and include  
39 acts of clearance, demolition, construction, development or  
40 redevelopment, reconstruction, replacement, extension,  
41 improvement and betterment;

42 (e) "Cost" shall mean, in addition to the usual connotations  
43 thereof, the cost of planning, acquisition or construction of all or  
44 any part of any public facility or facilities of an authority and of all  
45 or any property, rights, easements, privileges, agreements and  
46 franchises deemed by the authority to be necessary or useful and  
47 convenient therefor or in connection therewith and the cost of  
48 retiring the present value of the unfunded accrued liability due and

1 owing by the authority, as calculated by the system actuary for a  
2 date certain upon the request of the authority, for early retirement  
3 incentive benefits granted by the authority pursuant to P.L.1991,  
4 c.230 and P.L.1993, c.181, including interest or discount on bonds,  
5 cost of issuance of bonds, architectural, engineering and inspection  
6 costs and legal expenses, cost of financial, professional and other  
7 estimates and advice, organization, administrative, operating and  
8 other expenses of the authority prior to and during such acquisition  
9 or construction, and all such other expenses as may be necessary or  
10 incident to the financing, acquisition, construction and completion  
11 of such public facility or facilities or part thereof and the placing of  
12 the same fully in operation or the disposition of the same, and also  
13 such provision or reserves for working capital, operating,  
14 maintenance or replacement expenses or for payment or security of  
15 principal of or interest on bonds during or after such acquisition or  
16 construction as the authority may determine, and also  
17 reimbursements to the authority or any governmental unit or person  
18 of any moneys theretofore expended for the purposes of the  
19 authority;

20 (f) The term "county" shall mean any county of any class of the  
21 State and shall include, without limitation, the terms "the county"  
22 and "beneficiary county" defined in **【this act】** P.L.1960, c.183  
23 (C.40:37A-44 et seq.), and the term "the county" shall mean the  
24 county which created an authority pursuant to **【this act】** P.L.1960,  
25 c.183 (C.40:37A-44 et seq.);

26 (g) "Development project" shall mean any lands, structures, or  
27 property or facilities acquired or constructed or to be acquired or  
28 constructed by an authority for the purposes of the authority  
29 described in subsection (e) of section 11 of P.L.1960, c.183  
30 (C.40:37A-54);

31 (h) "Facility charges" shall have the meaning ascribed to said  
32 term in section 14 of P.L.1960, c.183 (C.40:37A-57);

33 (i) "Facility revenues" shall have the meaning ascribed to said  
34 term in subsection (e) of section 20 of P.L.1960, c.183 (C.40:37A-  
35 63);

36 (j) "Governing body" shall mean, in the case of a county, the  
37 board of chosen freeholders, or in the case of a county operating  
38 under article 3 or 5 of the "Optional County Charter Law,"  
39 P.L.1972, c.154 (C.40:41A-1 et seq.) as defined thereunder, and, in  
40 the case of a municipality, the commission, council, board or body,  
41 by whatever name it may be known, having charge of the finances  
42 of the municipality;

43 (k) "Governmental unit" shall mean the United States of  
44 America or the State or any county or municipality or any  
45 subdivision, department, agency, or instrumentality heretofore or  
46 hereafter created, designated or established by or for the United  
47 States of America or the State or any county or municipality;

1 (l) "Local bond law" shall mean chapter 2 of Title 40A,  
2 Municipalities and Counties, of the New Jersey Statutes (N.J.S.) as  
3 amended and supplemented;

4 (m) "Municipality" shall mean any city, borough, village, town,  
5 or township of the State but not a county or a school district;

6 (n) "Person" shall mean any person, partnership, association,  
7 corporation or entity other than a nation, state, county or  
8 municipality or any subdivision, department, agency or  
9 instrumentality thereof;

10 (o) "Project" shall have the meaning ascribed to said term in  
11 section 17 of P.L.1960, c.183 (C.40:37A-60);

12 (p) "Public facility" shall mean any lands, structures, franchises,  
13 equipment, or other property or facilities acquired, constructed,  
14 owned, financed, or leased by the authority or any other  
15 governmental unit or person to accomplish any of the purposes of  
16 an authority authorized by section 11 of P.L.1960, c.183  
17 (C.40:37A-54);

18 (q) "Real property" shall mean lands within or without the State,  
19 above or below water, and improvements thereof or thereon, or any  
20 riparian or other rights or interests therein;

21 (r) "Garbage and solid waste disposal system" shall mean the  
22 plants, structures and other real and personal property acquired,  
23 constructed or operated or to be acquired, constructed or operated  
24 by a county improvement authority, including incinerators, sanitary  
25 landfill facilities or other plants for the treatment and disposal of  
26 garbage, solid waste and refuse matter and all other real and  
27 personal property and rights therein and appurtenances necessary or  
28 useful and convenient for the collection and treatment or disposal in  
29 a sanitary manner of garbage, solid waste and refuse matter (but not  
30 including sewage);

31 (s) "Garbage, solid waste or refuse matter" shall mean garbage,  
32 refuse and other discarded materials resulting from industrial,  
33 commercial and agricultural operations, and from domestic and  
34 community activities, and shall include all other waste materials  
35 including sludge, chemical waste, hazardous wastes and liquids,  
36 except for liquids which are treated in public sewage treatment  
37 plants and except for solid animal and vegetable wastes collected by  
38 swine producers licensed by the **State** Department of Agriculture  
39 to collect, prepare and feed such wastes to swine on their own  
40 farms;

41 (t) "Blighted, deteriorated or deteriorating area" may include an  
42 area determined heretofore by the municipality to be blighted in  
43 accordance with the provisions of P.L.1949, c.187, repealed by  
44 P.L.1992, c.79 (C.40:55-21.1 et seq.) and, in addition, areas which  
45 are determined by the municipality, pursuant to the same procedures  
46 as provided in said law, to be blighted, deteriorated or deteriorating  
47 because of structures or improvements which are dilapidated or  
48 characterized by disrepair, lack of ventilation or light or sanitary

1 facilities, faulty arrangement, location, or design, or other  
2 unhealthful or unsafe conditions;

3 (u) "Redevelopment" may include planning, replanning,  
4 conservation, rehabilitation, clearance, development and  
5 redevelopment; and the construction and rehabilitation and  
6 provision for construction and rehabilitation of residential,  
7 commercial, industrial, public or other structures and the grant or  
8 dedication or rededication of spaces as may be appropriate or  
9 necessary in the interest of the general welfare for streets, parks,  
10 playgrounds, or other public purposes including recreational and  
11 other facilities incidental or appurtenant thereto, in accordance with  
12 a redevelopment plan approved by the governing body of a  
13 municipality;

14 (v) "Redevelopment plan" shall mean a plan as it exists from  
15 time to time for the redevelopment of all or any part of a  
16 redevelopment area, which plan shall be sufficiently complete to  
17 indicate such land acquisition, demolition and removal of  
18 structures, redevelopment, improvements, conservation or  
19 rehabilitation as may be proposed to be carried out in the area of the  
20 project, zoning and planning changes, if any, land uses, maximum  
21 densities, building requirements, the plan's relationship to definite  
22 local objectives respecting appropriate land uses, improved traffic,  
23 public transportation, public utilities, recreational and community  
24 facilities, and other public improvements and provision for  
25 relocation of any residents and occupants to be displaced in a  
26 manner which has been or is likely to be approved by the  
27 Department of Community Affairs pursuant to the "Relocation  
28 Assistance Law of 1967," P.L.1967, c.79 (C.52:31B-1 et seq.) and  
29 the "Relocation Assistance Act," P.L.1971, c.362 (C.20:4-1 et seq.)  
30 and rules and regulations pursuant thereto;

31 (w) "Redevelopment project" shall mean any undertakings and  
32 activities for the elimination, and for the prevention of the  
33 development or spread, of blighted, deteriorated, or deteriorating  
34 areas and may involve any work or undertaking pursuant to a  
35 redevelopment plan; such undertaking may include: (1) acquisition  
36 of real property and demolition, removal or rehabilitation of  
37 buildings and improvements thereon; (2) carrying out plans for a  
38 program of voluntary repair and rehabilitation of buildings or other  
39 improvements; and (3) installation, construction or reconstruction  
40 of streets, utilities, parks, playgrounds or other improvements  
41 necessary for carrying out the objectives of the redevelopment  
42 project;

43 (x) "Redeveloper" shall mean any person or governmental unit  
44 that shall enter into or propose to enter into a contract with an  
45 authority for the redevelopment of an area or any part thereof under  
46 the provisions of **【this act】** P.L.1960, c.183 (C.40:37A-44 et seq.);

47 (y) "Redevelopment area" shall mean an area of a municipality  
48 which the governing body thereof finds is a blighted area or an area

1 in need of rehabilitation whose redevelopment is necessary to  
2 effectuate the public purposes declared in **【this act】** P.L.1960,  
3 c.183 (C.40:37A-44 et seq.). A redevelopment area may include  
4 lands, buildings, or improvements which of themselves are not  
5 detrimental to the public health, safety or welfare, but whose  
6 inclusion is found necessary, with or without change in their  
7 condition, for the effective redevelopment of the area of which they  
8 are a part;

9 (z) "Sludge" shall mean any solid, semisolid, or liquid waste  
10 generated from a municipal, industrial or other sewage treatment  
11 plant, water supply treatment plant, or air pollution control facility,  
12 or any other such waste having similar characteristics and effects,  
13 but shall not include effluent **【; and】**

14 (aa) "Beneficiary county" shall mean any county that has not  
15 created an authority pursuant to **【this act】** P.L.1960, c.183  
16 (C.40:37A-44 et seq.);

17 (bb) "Stormwater" shall mean water resulting from precipitation  
18 that: (1) runs off of the land's surface; (2) is transmitted to the  
19 subsurface; (3) is captured by separate storm sewers or other  
20 sewerage or drainage facilities; or (4) is conveyed by snow removal  
21 equipment; and

22 (cc) "Stormwater management system" shall mean any  
23 equipment, plant, structures, machinery, apparatus, management  
24 practices, design practices, planning activities, or land, or any  
25 combination thereof, acquired, used, constructed, implemented, or  
26 operated to convey stormwater, control or reduce stormwater runoff  
27 and associated pollutants or flooding, induce or control the  
28 infiltration of groundwater recharge of stormwater, or eliminate  
29 illicit or illegal nonstormwater discharges into stormwater  
30 conveyances.

31 (cf: P.L.2002, c.42, s.6)

32

33 22. Section 11 of P.L.1960, c.183 (C.40:37A-54) is amended to  
34 read as follows:

35 11. The purposes of every authority shall be (a) provision within  
36 the county or any beneficiary county of public facilities for use by  
37 the State, the county or any beneficiary county, or any municipality  
38 in any such county, or any two or more or any subdivisions,  
39 departments, agencies or instrumentalities of any of the foregoing  
40 for any of their respective governmental purposes, (b) provision  
41 within the county or any beneficiary county of public facilities for  
42 use as convention halls, or the rehabilitation, improvement or  
43 enlargement of any convention hall, including appropriate and  
44 desirable appurtenances located within the convention hall or near,  
45 adjacent to or over it within boundaries determined at the discretion  
46 of the authority, including but not limited to office facilities,  
47 commercial facilities, community service facilities, parking  
48 facilities, hotel facilities and other facilities for the accommodation



1 and entertainment of tourists and visitors, (c) provision within the  
2 county or any beneficiary county of structures, franchises,  
3 equipment and facilities for operation of public transportation or for  
4 terminal purposes, including development and improvement of port  
5 terminal structures, facilities and equipment for public use in  
6 counties in, along or through which a navigable river flows, (d)  
7 provision within the county or any beneficiary county of structures  
8 or other facilities used or operated by the authority or any  
9 governmental unit in connection with, or relative to development  
10 and improvement of, aviation for military or civilian purposes,  
11 including research in connection therewith, and including structures  
12 or other facilities for the accommodation of passengers, (e)  
13 provision within the county or any beneficiary county of a public  
14 facility for a combination of governmental and nongovernmental  
15 uses; provided that not more than 50% of the usable space in any  
16 such facility shall be made available for nongovernmental use under  
17 a lease or other agreement by or with the authority, (f) acquisition  
18 of any real property within the county or any beneficiary county,  
19 with or without the improvements thereof or thereon or personal  
20 property appurtenant or incidental thereto, from the United States of  
21 America or any department, agency or instrumentality heretofore or  
22 hereafter created, designated or established by or for it, and the  
23 clearance, development or redevelopment, improvement, use or  
24 disposition of the acquired lands and premises in accordance with  
25 the provisions and for the purposes stated in **【this act】** P.L.1960,  
26 c.183 (C.40:37A-44 et seq.), including the construction,  
27 reconstruction, demolition, rehabilitation, conversion, repair or  
28 alteration of improvements on or to said lands and premises, and  
29 structures and facilities incidental to the foregoing as may be  
30 necessary, convenient or desirable, (g) acquisition, construction,  
31 maintenance and operation of garbage and solid waste disposal  
32 systems for the purpose of collecting and disposing of garbage,  
33 solid waste or refuse matter, whether owned or operated by any  
34 person, the authority or any other governmental unit, within or  
35 without the county or any beneficiary county, (h) the improvement,  
36 furtherance and promotion of the tourist industries and recreational  
37 attractiveness of the county or any beneficiary county through the  
38 planning, acquisition, construction, improvement, maintenance and  
39 operation of facilities for the recreation and entertainment of the  
40 public, which facilities may include, without being limited to, a  
41 center for the performing and visual arts, (i) provision of loans and  
42 other financial assistance and technical assistance for the  
43 construction, reconstruction, demolition, rehabilitation, conversion,  
44 repair or alteration of buildings or facilities designed to provide  
45 decent, safe and sanitary dwelling units for persons of low and  
46 moderate income in need of housing, including the acquisition of  
47 land, equipment or other real or personal properties which the  
48 authority determines to be necessary, convenient or desirable

1 appurtenances, all in accordance with the provisions of **[this act]**  
2 P.L.1960, c.183 (C.40:37A-44 et seq.), as amended and  
3 supplemented, (j) planning, initiating and carrying out  
4 redevelopment projects for the elimination, and for the prevention  
5 of the development or spread of blighted, deteriorated or  
6 deteriorating areas and the disposition, for uses in accordance with  
7 the objectives of the redevelopment project, of any property or part  
8 thereof acquired in the area of such project, (k) acquisition,  
9 construction, operation, and maintenance of stormwater  
10 management systems, (l) any combination or combinations of the  
11 foregoing or following, and **[(l)] (m)** subject to the prior approval  
12 of the Local Finance Board, the planning, design, acquisition,  
13 construction, improvement, renovation, installation, maintenance  
14 and operation of facilities or any other type of real or personal  
15 property within the county for a corporation or other person  
16 organized for any one or more of the purposes described in  
17 subsection a. of N.J.S.15A:2-1 except those facilities or any other  
18 type of real or personal property which can be financed pursuant to  
19 the provisions of P.L.1972, c.29 (C.26:2I-1 et seq.) as amended. A  
20 county improvement authority shall also have as its purpose the  
21 pooling of loans for any local governmental units within the county  
22 or any beneficiary county that are refunding bonds in order to  
23 achieve more favorable interest rates and terms for those local  
24 governmental units.

25 (cf: P.L.2002, c.42, s.8)

26

27 23. Section 14 of P.L.1960, c.183 (C.40:37A-57) is amended to  
28 read as follows:

29 14. Every authority is hereby authorized to charge and collect  
30 tolls, rents, rates, fares, fees or other charges (**[in this act]**  
31 sometimes referred to as "facility charges") in connection with, or  
32 for the use or services of, or otherwise relating to, any public  
33 facility or other property owned, leased or controlled by the  
34 authority. If the public facility is a system of solid waste disposal,  
35 including, but not limited to, a resource recovery facility, recycling  
36 plant or transfer station owned, leased or controlled by the  
37 authority, the authority may charge and collect in connection with  
38 that system from any governmental unit included within the  
39 jurisdiction of the authority or which contracts for service with that  
40 authority or from any owner or occupant of any real property  
41 situated in a constituent municipality or in a municipality which  
42 contracts for service with that authority. **[Such]** If the public  
43 facility or other property is part of a stormwater management  
44 system, the authority may charge and collect fees in connection  
45 with that system from any owner or occupant, or both, of any real  
46 property situated in a constituent municipality or in a municipality  
47 which contracts for service with that authority, including property  
48 owned by any governmental unit, calculated in a manner consistent

1 with the guidance provided in the stormwater utility guidance  
2 manual created by the Department of Environmental Protection  
3 pursuant to section 24 of P.L. , c. (C. ) (pending before the  
4 Legislature as this bill). The facility charges may be charged to and  
5 collected from any governmental unit or person and **such** the  
6 governmental unit or person shall be liable for and shall pay **such**  
7 the facility charges to the authority at the time when and place  
8 where **such** the facility charges are due and payable.

9 (cf: P.L.1988, c.140, s.1)

10  
11 24. (New section) a. The Department of Environmental  
12 Protection shall create a stormwater utility guidance manual. The  
13 stormwater utility guidance manual shall provide guidance to a  
14 municipality, county, or authority seeking to establish, provide, and  
15 maintain a stormwater management system pursuant to any relevant  
16 authorizing law regarding rate structure and stormwater  
17 management system implementation. The rate structure guidance  
18 provided in the stormwater utility guidance manual shall provide  
19 the means and methods of computing rates for stormwater utility  
20 charges and shall be directly related to the specific costs of the  
21 stormwater management system. Adoption of the stormwater  
22 utility guidance manual, or any revisions thereto, shall not be  
23 subject to the notice and publication requirements of the  
24 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
25 seq.).

26 b. Five percent of the annual fees collected by stormwater  
27 utilities as stormwater utility charges shall be transferred to the  
28 department to fund program planning, implementation, and  
29 coordination activities related to stormwater utilities and  
30 stormwater management systems.

31 c. The Department of Environmental Protection shall adopt,  
32 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410  
33 (C.52:14B-1 et seq.), any rules and regulations necessary to  
34 implement P.L. , c. (C. ) (pending before the Legislature as  
35 this bill).

36  
37 25. (New section) a. The governing body of any municipality  
38 may by ordinance establish, provide, and maintain a stormwater  
39 utility for the purpose of creating a stormwater management system  
40 to manage the stormwater runoff of the municipality.

41 b. Every municipality that creates and operates a municipal  
42 stormwater utility is hereby authorized to charge and collect rents,  
43 rates, fees, or other charges for direct or indirect use or services of  
44 the stormwater management system. The stormwater service  
45 charges may be charged to and collected from the owner or  
46 occupant, or both, of any real property. The owner of any real  
47 property shall be liable for and shall pay these charges to the  
48 municipal stormwater utility at the time when and place where such

1 stormwater service charges are due and payable. The rents, rates,  
2 fees, and charges shall be determined in a manner consistent with  
3 the guidance provided in the stormwater utility guidance manual  
4 created by the Department of Environmental Protection pursuant to  
5 section 24 of P.L. , c. (C. ) (pending before the Legislature  
6 as this bill). Any rent, rate, fee, or charge assessed pursuant to this  
7 subsection shall be calculated in a manner consistent with the  
8 guidelines established in the stormwater utility guidance manual  
9 created pursuant to section 24 of P.L. , c. (C. ) (pending  
10 before the Legislature as this bill).

11 c. Funds received pursuant to the provisions of this section  
12 shall be deposited with the public funds of the municipality and  
13 shall be budgeted, expended, and accounted for in accordance with  
14 the provisions of the Local Budget Law (N.J.S.40A:4-1 et seq.).

15 d. The governing body of a municipality exercising the powers  
16 granted by this section is authorized to provide by resolution or  
17 ordinance, as the case may be, at one time, or from time to time, for  
18 the issuance of general obligation bonds of the municipality for the  
19 purpose of paying all or any part of the cost of a stormwater utility  
20 pursuant to this section. The bonds of each issue shall be issued  
21 pursuant to the provisions of the Local Bond Law (N.J.S.40A:2-1 et  
22 seq.).

23 e. As used in this section:

24 "Stormwater" means water resulting from precipitation that: (1)  
25 runs off of the land's surface; (2) is transmitted to the subsurface;  
26 (3) is captured by separate storm sewers or other sewerage or  
27 drainage facilities; or (4) is conveyed by snow removal equipment;  
28 and

29 "Stormwater management system" means any equipment, plant,  
30 structures, machinery, apparatus, management practices, design  
31 practices, planning activities, or land, or any combination thereof,  
32 acquired, used, constructed, implemented, or operated to convey  
33 stormwater, control or reduce stormwater runoff and associated  
34 pollutants or flooding, induce or control the infiltration of  
35 groundwater recharge of stormwater, or eliminate illicit or illegal  
36 nonstormwater discharges into stormwater conveyances.

37

38 26. (New section) a. Any municipality, county, authority,  
39 utility, utilities authority, or other entity managing both a  
40 stormwater management system and a sewerage system under  
41 authority granted pursuant to the "sewerage authorities law,"  
42 P.L.1946, c.138 (C.40:14A-1 et seq.), the "municipal and county  
43 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), the  
44 "county improvement authorities law," P.L.1960, c.183 (C.40:37A-  
45 44 et seq.), the "Municipal and County Sewerage Act," P.L.1991,  
46 c.53 (C.40A:26A-1 et seq.), the "Municipal and County Flood  
47 Control Financing Act," P.L.1987, c.179 (C.40A:27-1 et seq.), or  
48 P.L. , c. (C. ) (pending before the Legislature as this bill),

1 shall maintain separate budgets, keep separate books and records,  
2 and incur separate costs for each such system.

3 b. As used in this section:

4 "Stormwater" means water resulting from precipitation that: (1)  
5 runs off of the land's surface; (2) is transmitted to the subsurface;  
6 (3) is captured by separate storm sewers or other sewerage or  
7 drainage facilities; or (4) is conveyed by snow removal equipment.

8 "Stormwater management system" means any equipment, plant,  
9 structures, machinery, apparatus, management practices, design  
10 practices, planning activities, or land, or any combination thereof,  
11 acquired, used, constructed, implemented, or operated to convey  
12 stormwater, control or reduce stormwater runoff and associated  
13 pollutants or flooding, induce or control the infiltration of  
14 groundwater recharge of stormwater, or eliminate illicit or illegal  
15 nonstormwater discharges into stormwater conveyances.

16

17 27. (New section) a. Whenever a stormwater management  
18 system is constructed by any person in accordance with standards  
19 established therefor by a municipality, county, authority, utility,  
20 utilities authority, or other entity authorized to manage a stormwater  
21 management system pursuant to the "sewerage authorities law,"  
22 P.L.1946, c.138 (C.40:14A-1 et seq.), the "municipal and county  
23 utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), the  
24 "county improvement authorities law," P.L.1960, c.183 (C.40:37A-  
25 44 et seq.), the "Municipal and County Sewerage Act," P.L.1991,  
26 c.53 (C.40A:26A-1 et seq.), the "Municipal and County Flood  
27 Control Financing Act," P.L.1987, c.179 (C.40A:27-1 et seq.), or  
28 P.L. , c. (C. ) (pending before the Legislature as this bill),  
29 the municipality, county, authority, utility, utilities authority, or  
30 other entity may accept the dedication of, and assume maintenance  
31 responsibilities for, the stormwater management system in  
32 accordance with the same procedures established and used for  
33 sewer or water facilities.

34 b. As used in this section:

35 "Stormwater" means water resulting from precipitation that: (1)  
36 runs off of the land's surface; (2) is transmitted to the subsurface;  
37 (3) is captured by separate storm sewers or other sewerage or  
38 drainage facilities; or (4) is conveyed by snow removal equipment.

39 "Stormwater management system" means any equipment, plant,  
40 structures, machinery, apparatus, management practices, design  
41 practices, planning activities, or land, or any combination thereof,  
42 acquired, used, constructed, implemented, or operated to convey  
43 stormwater, control or reduce stormwater runoff and associated  
44 pollutants or flooding, induce or control the infiltration of  
45 groundwater recharge of stormwater, or eliminate illicit or illegal  
46 nonstormwater discharges into stormwater conveyances.

1 28. N.J.S.40A:2-2 is amended to read as follows:

2 40A:2-2. The following words as used in this chapter shall  
3 have the following meanings, unless the context clearly indicates a  
4 different meaning:

5 **["bond]** "Bond ordinance" means an ordinance adopted as  
6 herein provided by the governing body of a local unit authorizing  
7 obligations;

8 **["equalized]** "Equalized valuation basis" of a local unit means  
9 the average for the last **[3]** three preceding years, of the sum total  
10 of

11 **[a.]** (1) the aggregate equalized valuation of real property  
12 together with improvements, as certified in the Table of Equalized  
13 Valuations by the Director of the Division of Taxation in the  
14 Department of the Treasury, on October 1 of each year, pursuant to  
15 chapter 86 of the laws of 1954, and

16 **[b.]** (2) the assessed valuation of Class II railroad property as  
17 set forth in the table of equalized valuations referred to in **["a"]**  
18 (1) above.

19 **["governing]** "Governing body" means the board of chosen  
20 freeholders of a county, or the commission, council, board or body  
21 having control of the finances of a municipality;

22 **["local]** "local improvement" means an improvement or  
23 property, part or all of the cost of which has been, or is to be  
24 specially assessed on property;

25 **["obligations"]** "Obligations" means bonds or notes of a local  
26 unit;

27 **["refunding]** "Refunding bond ordinance" means an ordinance  
28 adopted by the governing body of the local unit authorizing  
29 refunding bonds;

30 "Stormwater" means water resulting from precipitation that: (1)  
31 runs off of the land's surface; (2) is transmitted to the subsurface;  
32 (3) is captured by separate storm sewers or other sewerage or  
33 drainage facilities; or (4) is conveyed by snow removal equipment;  
34 and

35 "Stormwater management system" means any equipment, plant,  
36 structures, machinery, apparatus, management practices, design  
37 practices, planning activities, or land, or any combination thereof,  
38 acquired, used, constructed, implemented, or operated to convey  
39 stormwater, control or reduce stormwater runoff and associated  
40 pollutants or flooding, induce or control the infiltration of  
41 groundwater recharge of stormwater, or eliminate illicit or illegal  
42 nonstormwater discharges into stormwater conveyances.

43 (cf: P.L.1964, c.72, s.1)

44

45 29. N.J.S.40A:2-15 is amended to read as follows:

46 40A:2-15. Any bond ordinance to finance any cost or expense of  
47 a municipal public utility, or any ordinance amendatory thereof or

1 supplemental thereto adopted prior to the issuance of obligations,  
2 may contain the following covenants with the holders of such  
3 obligations which shall be observed and performed by the local  
4 unit, notwithstanding the provisions of this or any other law:

5 a. As to the use and disposition of revenues derived or to be  
6 derived from the operation of the whole or any part of any  
7 municipal public utility, including any improvements thereto or  
8 extensions thereof thereafter constructed or acquired, whether said  
9 obligations are authorized to finance construction, improvement,  
10 enlargement, reconstruction, extension or acquisition of such or  
11 any other municipal public utility;

12 b. Pledging to the punctual payment of the principal of and  
13 interest on such obligations, all or any part of such revenues;

14 c. As to the setting aside out of such revenues of **[1]** one or  
15 more reserve funds, and the regulation and disposition thereof;

16 d. As to the fixing and collection of such rates, rentals and  
17 other charges for connection with or the use of any such municipal  
18 public utility, including any improvements thereto or extensions  
19 thereof thereafter constructed or acquired as will annually produce  
20 revenues sufficient to provide for all or any lesser part described in  
21 said ordinance of the following:

22 **[1.]** (1) expenses of operation, maintenance and repair of such  
23 utility and any other such utilities,

24 **[2.]** (2) payment of the principal of and interest on said  
25 obligations,

26 **[3.]** (3) such reserve funds as may have been provided for in  
27 said ordinance,

28 **[4.]** (4) payment of any mortgage or mortgages subject to which  
29 such utility or any other such utilities, or any part thereof may have  
30 been acquired, and

31 **[5.]** (5) payment of any obligations having a lien on the  
32 revenues of such utility or any other such utilities, or any part  
33 thereof prior to or on a parity with the lien of such obligations;

34 e. As to the procedure, if any, by which the terms of any  
35 covenant with the holders of such obligations may be amended or  
36 abrogated, the amount of obligations the holders of which must  
37 consent thereto and the manner in which such consent may be  
38 given.

39 Such obligations may contain such recitals of or reference to any  
40 such covenants as any resolution determining their form may  
41 provide.

42 f. Notwithstanding any provisions of this section to the  
43 contrary, any rates, rentals, or other charges that are levied to  
44 finance a stormwater management system shall be determined in a  
45 manner consistent with the stormwater utility guidance manual  
46 created by the Department of Environmental Protection pursuant to

1 section 24 of P.L. , c. (C. ) (pending before the Legislature  
2 as this bill).

3 (cf: P.L.1960, c.169, s.1)

4

5 30. N.J.S.40A:26A-2 is amended to read as follows:

6 40A:26A-2. The Legislature finds and declares it to be in the  
7 public interest and to be the policy of this State to foster and  
8 promote the public health , safety, and welfare by providing for the  
9 collection and treatment of sewerage and the management of  
10 stormwater through adequate sewerage facilities and stormwater  
11 management systems. It is the purpose of this act to implement this  
12 policy by authorizing municipalities and counties either separately  
13 or in combination with other municipalities and counties to finance,  
14 acquire, construct, maintain, operate or improve works for the  
15 management of stormwater and the collection, treatment, transport  
16 and disposal of sewage and to provide for the financing of these  
17 facilities.

18 It is further declared that the acquisition, construction, operation,  
19 and maintenance of stormwater management systems are essential  
20 to the goals of protecting and improving the State's water quality,  
21 and are necessary to prevent and abate nonpoint sources of  
22 pollution, minimize stormwater runoff, control flooding, and  
23 enhance groundwater recharge.

24 (cf: P.L.1991, c.53, s.1)

25

26 31. N.J.S.40A:26A-3 is amended to read as follows:

27 40A:26A-3. As used in **【this act】** N.J.S.40A:26A-1 et seq.:

28 "Bonds" means bond anticipation notes or bonds issued in  
29 accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq.

30 "Cost" as applied to sewerage facilities or extensions or additions  
31 thereto, means the cost of acquisition or the construction including  
32 improvement, reconstruction, extension or enlargement, the cost of  
33 all lands, property, rights and easements acquired. The cost of  
34 demolition or removal of any buildings or structures thereon,  
35 financing charges, interest on bonds issued to finance sewerage  
36 facilities prior to and during construction, the cost of plans and  
37 specifications, surveys or estimates of costs and revenues, the cost  
38 of engineering, legal services, and any other expenses necessary or  
39 incident to determining the feasibility of construction,  
40 administrative and other expenses as may be necessary or incident  
41 to the construction or acquisition of sewerage facilities and the  
42 financing thereof.

43 "Local unit" means a county or municipality.

44 "Sewerage facilities" means the plants, structures or other real  
45 and personal property acquired, constructed or operated, or to be  
46 financed, acquired, constructed or operated, or any parts thereof,  
47 used for the storage, collection, reduction, reclamation, disposal,  
48 separation or other treatment of wastewater **【or】** , sewage sludge ,



1 or stormwater, or for the final disposal of residues resulting from  
2 the treatment of wastewater or stormwater, including but not limited  
3 to, pumping and ventilating stations, treatment plants and works,  
4 connections, outfall servers, interceptors, trunk lines , drainage  
5 systems, catch basins, detention ponds, and other appurtenances  
6 necessary for their use or operation.

7 “Sewerage services” means any service rendered by or through a  
8 sewerage facility including a stormwater management system.

9 “Stormwater” means water resulting from precipitation that: (1)  
10 runs off of the land’s surface; (2) is transmitted to the subsurface;  
11 (3) is captured by separate storm sewers or other sewerage or  
12 drainage facilities; or (4) is conveyed by snow removal equipment;  
13 and

14 “Stormwater management system” means any equipment, plant,  
15 structures, machinery, apparatus, management practices, design  
16 practices, planning activities, or land, or any combination thereof,  
17 acquired, used, constructed, implemented, or operated to convey  
18 stormwater, control or reduce stormwater runoff and associated  
19 pollutants or flooding, induce or control the infiltration of  
20 groundwater recharge of stormwater, or eliminate illicit or illegal  
21 nonstormwater discharges into stormwater conveyances.

22 (cf: P.L.1991, c.53, s.1)

23

24 32. N.J.S.40A:26A-5 is amended to read as follows:

25 40A:26A-5. One or more local units adopting an ordinance or  
26 resolution in accordance with N.J.S.40A:26A-4 are authorized and  
27 empowered:

28 a. To acquire, construct, improve, extend, enlarge or  
29 reconstruct and finance sewerage facilities, and to operate, manage  
30 and control all or part of these facilities and all properties relating  
31 thereto;

32 b. To issue bonds of the local unit or units to pay all or part of  
33 the cost of the purchase, construction, improvement, extension,  
34 enlargement or reconstruction of sewerage facilities;

35 c. To receive and accept from the federal or State government,  
36 or any agency or instrumentality thereof, grants or loans for, or in  
37 aid of, the planning, purchase, construction, improvement,  
38 extension, enlargement or reconstruction, or financing of sewerage  
39 facilities, and to receive and accept from any source, contributions  
40 or money, property, labor or other things of value to be held, used  
41 and applied only for the purposes for which the grants or loans and  
42 contributions are made;

43 d. To acquire in the name of the local unit or units by gift,  
44 purchase, or by the exercise of the right of eminent domain, lands  
45 and rights and interests therein, including lands under water and  
46 riparian rights, and personal property as may be deemed necessary  
47 for acquisition, construction, improvement, extension, enlargement  
48 or reconstruction, or for the efficient operation of any facilities

1 acquired or constructed under the provisions of N.J.S.40A:26A-1 et  
2 seq. and to hold and dispose of all real and personal property so  
3 acquired;

4 e. To make and enter into all contracts and agreements  
5 necessary or incidental to the performance of the local unit's or  
6 units' duties and the execution of powers authorized under  
7 N.J.S.40A:26A-1 et seq., and to employ engineers, superintendents,  
8 managers, attorneys, financial or other consultants or experts, and  
9 other employees and agents as may be deemed necessary, and to fix  
10 their compensation;

11 f. Subject to the provisions and restrictions set forth in the  
12 ordinance or resolution authorizing or securing any bonds issued  
13 under the provisions of N.J.S.40A:26A-1 et seq., to enter into  
14 contracts with the federal or State **【Government】** government, or  
15 any agency or instrumentality thereof, or with any other local unit,  
16 private corporation, copartnership, association or individual  
17 providing for, or relating to, sewerage services which contracts may  
18 provide for the furnishing of sewerage facility services either by or  
19 to the local unit or units, or the joint construction or operation of  
20 sewerage facilities;

21 g. To fix and collect rates, fees, rents and other charges in  
22 accordance with N.J.S.40A:26A-1 et seq.;

23 h. To prevent toxic pollutants from entering the sewerage  
24 system , and to control nonstormwater discharges into stormwater  
25 management systems;

26 i. To prevent from directly or indirectly entering the sewerage  
27 system any matter or thing which is or may be injurious or  
28 deleterious to the sewerage system or to its efficient operation;

29 j. Upon the request of a customer: (1) to offer the customer the  
30 ability to receive or access, in electronic format, any periodic bill  
31 for service sent by the local unit or units to its customers and any  
32 additional information sent by the local unit or units to its  
33 customers as required by law, provided that any notice of  
34 disconnection, discontinuance or termination of sewerage service  
35 shall be sent to a customer in written form at the customer's legal  
36 mailing address in addition to being sent or being made available in  
37 electronic format; and (2) to provide the customer the option of  
38 paying any such periodic bill via electronic means; and

39 **【j.】** k. To exercise any other powers necessary or incidental to  
40 the effectuation of the general purpose of N.J.S.40A:26A-1 et seq.  
41 (cf: P.L.2010, c.91, s.6)

42

43 33. N.J.S.40A:26A-10 is amended to read as follows:

44 40A:26A-10. After the commencement of operation of sewerage  
45 facilities, the local unit or units may prescribe and, from time to  
46 time, alter rates or rentals to be charged to users of sewerage  
47 services. Rates or rentals being in the nature of use or service  
48 charges or annual rental charges, shall be uniform and equitable for

1 the same types and classes of use and service of the facilities,  
2 except as permitted by section 5 of P.L.1994, c.78 (C.40A:26A-  
3 10.1). Rates or rentals and types and classes of use and service may  
4 be based on any factors which the governing body or bodies of that  
5 local unit or units shall deem proper and equitable within the region  
6 served. Any rate or rental charge associated with a stormwater  
7 management system shall be calculated in a manner consistent with  
8 the guidance provided by the stormwater utility guidance manual  
9 created by the Department of Environmental Protection pursuant to  
10 section 24 of P.L. , c. (C. ) (pending before the Legislature  
11 as this bill).

12 In fixing rates, rental and other charges for supplying sewerage  
13 services, the local unit or units shall establish a rate structure that  
14 allows, within the limits of any lawful covenants made with  
15 bondholders, the local unit to:

16 a. Recover all costs of acquisition, construction or operation,  
17 including the costs of raw materials, administration, real or personal  
18 property, maintenance, taxes, debt service charges, fees and an  
19 amount equal to any operating budget deficit occurring in the  
20 immediately preceding fiscal year;

21 b. Establish a surplus in an amount sufficient to provide for the  
22 reasonable anticipation of any contingency that may affect the  
23 operating of the sewerage facility, and, at the discretion of the local  
24 unit or units, allow for the transfer of moneys from the budget for  
25 the sewerage facilities to the local budget in accordance with  
26 section 5 of P.L.1983, c.111 (C.40A:4-35.1).

27 (cf: P.L.1994, c.78, s.6.)

28

29 34. N.J.S.40A:27-3 is amended to read as follows:

30 40A:27-3. As used in **【this act】** N.J.S.40A:27-1 et seq.:

31 "Contracting local unit" means a local unit which enters into a  
32 contract with another local unit for the construction, maintenance,  
33 improvement, acquisition or financing of a flood control facility for  
34 its own use;

35 "Contractor" means a local unit, which enters into a contract with  
36 a contracting local unit to construct, maintain, improve, acquire or  
37 finance flood control facilities for the contracting local unit;

38 "Cost" as applied to flood control facilities or extensions or  
39 additions thereto, means the cost of construction, reconstruction or  
40 maintenance, improvement, the cost of all labor, materials,  
41 machinery and equipment, the costs of all lands, property, rights  
42 and easements acquired, financing charges, interest on bonds issued  
43 to finance a facility prior to, during and after acquisition or  
44 construction, the cost of plans and specifications, surveys or  
45 estimates of costs and of revenues, the cost of engineering and legal  
46 services, and all other expenses necessary or incident to  
47 determining the feasibility or practicability of the construction,  
48 reconstruction, improvement, or maintenance of a facility,

1 administrative expenses and such other expenses as may be  
2 necessary or incident to the construction, maintenance or  
3 acquisition of a facility, and the financing herein authorized. Any  
4 obligation or expense incurred by a local unit in connection with  
5 any of the foregoing items of cost prior to the issuance of bonds or  
6 notes as authorized herein may be reimbursed to the local unit out  
7 of the proceeds of bonds issued under the provisions of this chapter;

8 "Department" means the Department of Environmental  
9 Protection;

10 "Flood control facilities" means the dams, drainage ways,  
11 structures and other real and personal property acquired,  
12 constructed, operated, financed, maintained or improved or to be  
13 acquired, constructed, operated, financed, maintained or improved  
14 by a local unit for the purposes of flood control or stormwater  
15 management, including storage reservoirs, dikes, diversions, dams,  
16 spillways, levees, revetments, drains, ditches or channel  
17 improvements, such as widening, deepening, straightening,  
18 clearing, desnagging, sloping, building and filling in, and other  
19 plants, structures, boats, conveyances and other real or personal  
20 property and rights therein, and appurtenances necessary for the  
21 control of flooding, the preservation of stream flow and the  
22 management of surface water and **[storm water]** stormwater,  
23 including any storm sewers, storm drains, drainage facilities, and  
24 detention basins, and the dredging or desnagging of any drainage  
25 ways;

26 "General obligation bonds" means general obligations of the  
27 local unit which are payable from unlimited ad valorem taxes  
28 additionally secured by a pledge of the revenues derived from the  
29 assessment of such local improvement charges as may be assessed;

30 "Local unit" means a county or municipality;

31 "Parties to the contract" means a contractor and a contracting  
32 local unit which have contracted for the construction, maintenance,  
33 improvement or acquisition of flood control facilities;

34 "Stormwater" means water resulting from precipitation that: (1)  
35 runs off of the land's surface; (2) is transmitted to the subsurface;  
36 (3) is captured by separate storm sewers or other sewerage or  
37 drainage facilities; or (4) is conveyed by snow removal equipment;  
38 and

39 "Stormwater management system" means any equipment, plant,  
40 structures, machinery, apparatus, management practices, design  
41 practices, planning activities, or land, or any combination thereof,  
42 acquired, used, constructed, implemented, or operated to convey  
43 stormwater, control or reduce stormwater runoff and associated  
44 pollutants or flooding, induce or control the infiltration of  
45 groundwater recharge of stormwater, or eliminate illicit or illegal  
46 nonstormwater discharges into stormwater conveyances.

47 (cf: P.L.1987, c.179, s.1)

48

1       35. N.J.S.40A:27-10 is amended to read as follows:  
2       40A:27-10. If the governing body of a local unit determines that  
3 public necessity and interest require the cost of construction of a  
4 flood control facility to be financed by local improvement  
5 assessments, it shall pass a resolution or ordinance, as the case may  
6 be, of its intention to undertake and so finance the facility and shall  
7 give notice of this intention by advertising in one or more  
8 newspapers of general circulation in the county or municipality and  
9 by notifying each concerned property owner by certified mail; and  
10 this notice shall fix a time and place, not less than two weeks after  
11 the date of the notice, for a public hearing on the proposed action.  
12 At the public hearing the governing body of a local unit shall  
13 present a preliminary assessment of the affected properties. If the  
14 purpose of a flood control facility is to serve and operate as a  
15 stormwater management system, that facility may instead be  
16 financed through a fee to be determined in a manner consistent with  
17 the stormwater utility guidance manual created by the Department  
18 of Environmental Protection pursuant to section 24 of P.L.     , c.  
19 (C.     ) (pending before the Legislature as this bill).  
20 (cf: P.L.1987, c.179, s.1)

21

22       36. This act shall take effect on the 180th day after the date of  
23 enactment, but the Department of Environmental Protection may  
24 take such anticipatory administrative action in advance thereof as  
25 shall be necessary for the implementation of this act.

26

27

28

STATEMENT

29

30       This bill would permit municipalities, counties, and certain  
31 authorities to establish and operate stormwater utilities.

32       New Jersey faces an extensive set of problems due to inadequate  
33 stormwater infrastructure and management. When storms occur,  
34 rainwater runs off of impervious surfaces like roads, roofs, and  
35 parking lots into stormwater sewer systems and ditches or into  
36 waterways. This stormwater runoff carries with it debris, bacteria,  
37 and chemicals such as pesticides, fertilizers, and gasoline, which  
38 pollutes water bodies and drinking water sources. Additionally,  
39 when there is no open space or stormwater management  
40 infrastructure to help absorb and capture water, runoff in large  
41 volumes and force can result in major flooding and property  
42 damage. New Jersey, in particular, is prone to pollution and  
43 flooding problems, with over 10 percent of its land area covered in  
44 impervious surfaces. These problems affect the health, safety,  
45 economic well-being, and quality of life of the State's residents.

46       Unlike drinking water supply and wastewater systems, New  
47 Jersey's stormwater infrastructure lacks a dedicated source of  
48 funding, and receives few upgrades and little maintenance once

1 built. Often times, stormwater systems go unmonitored and  
2 unattended until they break down. In some cases, the infrastructure  
3 is inadequate to manage stormwater, especially as increased  
4 development and large storm events generate more runoff. The  
5 United States Environmental Protection Agency has ranked  
6 stormwater management as New Jersey's most expensive water-  
7 related funding need, requiring \$15.6 billion. While the New Jersey  
8 Department of Environmental Protection (DEP) has adopted  
9 regulations requiring municipalities to manage stormwater, many  
10 municipalities do not have the resources to do so. There is currently  
11 no explicit authority in State law for municipalities or counties to  
12 create stormwater utilities.

13 This bill would authorize municipalities, counties, and certain  
14 local authorities to create and operate stormwater utilities. The bill  
15 would permit municipalities and counties to finance the creation,  
16 operation, and maintenance of stormwater utilities through the  
17 imposition of user fees and the issuance of bonds. Among other  
18 statutory changes, the bill would amend the "sewerage authorities  
19 law," the "municipal and county utilities authorities law," the  
20 "county improvement authorities law," the "Municipal and County  
21 Sewerage Act," and the "Municipal and County Flood Control  
22 Financing Act" to permit municipalities, counties, and combinations  
23 of municipalities and counties to manage stormwater through  
24 utilities.

25 The bill would also require the DEP to create a stormwater utility  
26 guidance manual to provide guidance to municipalities, counties,  
27 and authorities seeking to establish stormwater utilities. The  
28 guidance manual would provide local units with rate structure  
29 guidance, including the means and method of computing rates for  
30 stormwater utility charges. Such charges would be directly related  
31 to the specific costs of the stormwater utility. Under the bill, the  
32 DEP would receive five percent of the annual fees collected by  
33 stormwater utilities as stormwater utility charges to fund program  
34 planning, implementation, and coordination activities related to  
35 stormwater utilities.

36 Finally, the bill would authorize municipalities, counties, and  
37 authorities to contract with private firms for the operation or  
38 improvement of stormwater utilities.