

NJ Senate Bill S4081 Signing – Immediate Impact on Residential Customers of Municipal Water/Sewer/Electric

Signed on December 21, 2021, New Jersey Senate Bill S4081 instituted the following immediate measures for residential customers of local government water, sewer, and electric service:

- 1) Extending until March 15, 2022, the shutoff moratorium for water, sewer, and municipal electric service. This moratorium does not apply to a shut off needed to prevent or reduce the risk to public health or safety.
- 2) Extending the grace period for water and municipal electric charges until March 15, 2022.
- 3) A grace period has been instituted for the unpaid balance of any sewer charges until March 15, 2022. Delinquent sewer charges that were sold at tax sale by January 1, 2022, are not affected. Please note that interest and penalties, including the year-end penalty, cannot be enforced on the unpaid balance.
- 4) An installment plan must be offered to satisfy the unpaid balance of any water, sewer, and electric charges accrued between March 9, 2020, and March 15, 2022. Delinquent sewer charges accruing between March 9, 2020, and December 31, 2021, that had been sold at tax sale by January 1, 2022, are not affected.
 - a) The installment plan shall have a minimum 12-month duration unless the residential customer requests a shorter payback period and cannot require the residential customer to pay a down payment, deposit, or reconnection costs. The maximum duration of an installment plan remains five (5) years pursuant to N.J.S.A. 54:5-19.
 - b) An installment plan cannot require the payment of interest or penalties on the unpaid balance.
 - c) Notwithstanding N.J.S.A. 54:5-19, an installment plan must be offered even if one already exists on the property for property taxes, assessments, or other municipal charges.
 - d) If a residential customer does not agree to an installment plan within 30 days of being offered a plan by the municipality or local authority, appropriate enforcement action can be taken after March 15, 2022, including bringing to tax sale the unpaid balance accruing between March 9, 2020, and December 31,

2021. Please note that interest and penalties, including the year-end penalty, cannot be enforced on the unpaid balance.

5) After March 15, 2022, delinquent water, sewer, and electric charges that had accrued prior to March 9, 2020, and after March 15, 2022, can be enforced pursuant to law, including interest and penalties. A municipality or local authority is not obligated to offer an installment plan for such accrued charges.

The term residential customer means a residential customer of record of a local authority or municipal utility, or any residential tenant of a residence where the owner or any agent or other representative of the owner of the residence is a non-residential customer of record.

The Division will be issuing a Local Finance Notice with more detailed guidance on the new law. Notwithstanding Local Finance Notice 2021-22, ratepayer notices issued pursuant to P.L. 2021, c.97 must now be modified to reflect the new expiration date of the shutoff moratorium and grace period.

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