

CHAPTER 4

AN ACT concerning extended utility service protections for certain customers and amending P.L.2021, c.317 (C.40A:5A-28 et al.).

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

1. Section 1 of P.L.2021, c.317 is amended to read as follows:

1. As used in sections 1 and 2 of P.L.2021, c.317:

“Local authority” means an authority, as defined in section 3 of P.L.1983, c.313 (C.40A:5A-3), or a water district established pursuant to R.S.40:62-96 et seq., that provides electric, sewer, or water service.

“Municipal utility” means a municipal public utility, as defined in N.J.S.40A:1-1, or a joint meeting or regional service agency as defined in section 3 of P.L.2007, c.63 (C.40A:65-3), that provides electric, sewer, or water service.

“Public utility” means a public utility, as defined pursuant to R.S.48:2-13, that provides electric, gas, sewer, or water service.

“Residential customer” means a residential customer of record of a local authority, municipal utility, or a public 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 of a local authority, municipal utility, or public utility.

“Submitted an application” means a residential customer has created an application via the online portal or telephone hotline operated by the Department of Community Affairs, or has submitted a paper application to the Department of Community Affairs or through a home energy assistance grantee agency. A residential customer who has submitted an application shall include those residential customers who have yet to provide, mail, or upload documents that are required in order for the application for the utility assistance program to be deemed complete.

“Utility emergency” means any condition constituting a potential danger to life, health, or property that requires a local authority, municipal utility, or public utility to discontinue or interrupt the provision of electric, gas, sewer, or water service.

2. Section 2 of P.L.2021, c.317 is amended to read as follows:

2. a. The provisions of Executive Order No. 246 of 2021 concerning a grace period for residential customers of certain utilities, including paragraphs two through four, nine through 14, 16 through 18, and 21, shall remain in effect for any local authority, municipal utility, and public utility that provides, sewer, or water service, and any municipal utility or rural electric cooperative that provides electric service, through March 15, 2022. Any residential customer sewer, or water service discontinuance, and any discontinuance of electric service to a residential customer of a municipal utility or rural electric cooperative occurring between the end of the grace period established pursuant to Executive Order No. 246 of 2021 and the effective date of P.L.2021, c.317 (C.40A:5A-28 et al.) shall be nullified and service shall be restored immediately. Notwithstanding any other provisions of law, a local authority or municipal utility shall not place, sell, or enforce a lien on real property for the unpaid balance of any electric or water charges, or for the unpaid balance of any sewer charges not sold at tax sale as of January 1, 2022 or otherwise accrued to a lien that was struck off to a municipality or sold prior to January 1, 2022, until after the expiration of the extended grace period pursuant

to this section. The extended grace period provided for in this section shall expire on March 15, 2022.

b. Notwithstanding any other provisions of law, prior to discontinuing service to a residential customer, or placing, selling, or enforcing a lien on real property owned by a residential customer for the unpaid balance of any water charges accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022, a local authority, municipal utility, or public utility shall offer the residential customer a utility service bill payment plan for the unpaid balance of any water charges accrued prior to March 15, 2022. The utility service bill payment plan shall have a minimum 12-month duration unless the residential customer requests a shorter payback period, and shall not require payment of a down payment, deposit, reconnection costs, interest, or penalties. The local authority, municipal utility, or public utility may offer residential customers a combined payment and payment forgiveness plan with a duration of less than 12 months that involves forgiveness of at least 50 percent of the outstanding principal upon the consent of the residential customer. Except as otherwise provided in subsection k. of this section, if a residential customer does not agree to a utility service bill payment plan pursuant to this subsection within 30 days of being offered the plan by the local authority, municipal utility, or public utility, the local authority, municipal utility, or public utility may take appropriate enforcement action after March 15, 2022, including discontinuing service or placing, selling, or enforcing a lien, to the extent otherwise permitted by law.

c. Notwithstanding any other provisions of law, prior to discontinuing service to a residential customer, or placing, selling, or enforcing a lien on real property owned by a residential customer, for the unpaid balance of any electric charges accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022, a municipal electric utility or rural electric cooperative shall offer the residential customer a utility service bill payment plan for the unpaid balance of any electric charges accrued prior to March 15, 2022. The utility service bill payment plan shall have a minimum 12-month duration unless the residential customer requests a shorter payback period, and shall not require payment of a down payment, deposit, reconnection costs, interest, or penalties. The municipal electric utility or rural electric cooperative may offer residential customers a combined payment and payment forgiveness plan with a duration of less than 12 months that involves forgiveness of at least 50 percent of the outstanding principal upon the consent of the residential customer. Except as otherwise provided in subsection k. of this section, if a residential customer does not agree to a utility service bill payment plan pursuant to this subsection within 30 days of being offered the plan by the municipal electric utility or rural electric cooperative, the municipal electric utility or rural electric cooperative may take appropriate enforcement action after March 15, 2022, including discontinuing service or placing, selling, or enforcing a lien, to the extent otherwise permitted by law.

d. Notwithstanding any other provisions of law, prior to discontinuing service to a residential customer for the unpaid balance of any electric or gas charges accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and the expiration date of Executive Order No. 246 of 2021, or in the case of a customer participating in the Winter Termination Program set forth in N.J.A.C.14:3-3A.5, any electric or gas charges accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022, a public utility shall offer the residential customer a utility service bill payment plan for the unpaid balance of any electric or gas charges accrued prior to the expiration date of Executive Order No. 246 of 2021 or, in the case of a customer participating in the Winter Termination Program set forth in N.J.A.C.14:3-3A.5, any electric or gas charges

accrued prior to March 15, 2022. The utility service bill payment plan shall have a minimum 12-month duration unless the residential customer requests a shorter payback period, and shall not require payment of a down payment, deposit, reconnection costs, interest, or penalties. The public utility may offer residential customers a combined payment and payment forgiveness plan with a duration of less than 12 months that involves forgiveness of at least 50 percent of the outstanding principal upon the consent of the residential customer. Except as otherwise provided in subsection k. of this section, if a residential customer does not agree to a utility service bill payment plan pursuant to this subsection within 30 days of being offered the plan by the public utility, the public utility may take appropriate enforcement action after the expiration of Executive Order 246 of 2021 or for customers participating in the Winter Termination Program set forth in N.J.A.C.14:3-3A.5 after March 15, 2022, including discontinuing service, to the extent otherwise permitted by law.

e. Notwithstanding any other provisions of law, prior to discontinuing service to a residential customer, or placing, selling, or enforcing a lien on real property owned by a residential customer, for the unpaid balance of any sewer charges accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022 that had not been sold at tax sale as of January 1, 2022 or otherwise accrued to a lien that was struck off to a municipality or sold prior to January 1, 2022, a local authority, municipal utility, or public utility shall offer a residential customer a utility service bill payment plan for the unpaid balance of any sewer charges accrued prior to March 15, 2022. The utility service bill payment plan shall have a minimum 12-month duration unless the residential customer requests a shorter payback period, and shall not require a down payment, deposit, reconnection costs, interest, or penalties. The local authority, municipal utility, or public utility may offer residential customers a combined payment and payment forgiveness plan with a duration of less than 12 months that involves forgiveness of at least 50 percent of the outstanding principal upon the consent of the residential customer. Except as otherwise provided in subsection k. of this section, if a residential sewer customer does not agree to a utility service bill payment plan within 30 days of being offered a plan by the local authority, municipal utility, or public utility, the local authority, municipal utility, or public utility may take appropriate enforcement action after March 15, 2022, to the extent otherwise permitted by law.

f. Utility service bill payment plans offered by municipal utilities and local authorities pursuant to subsections b., c., and e. of this section shall be subject to the provisions of R.S.54:5-19 pertaining to installment agreements, except as otherwise provided in this section, and that a residential customer shall be offered a utility service bill payment plan for the payment of water, sewer, or electric charges that became delinquent notwithstanding whether a parcel of property is already subject to an installment payment plan pursuant to law.

g. No local authority, municipal utility, or public utility shall collect any interest, fee, or charge from residential customers for late or otherwise untimely payments of water charges that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022. A local authority, municipal utility, or public utility may charge and collect fees, interest, and penalties for delinquent water charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after March 15, 2022, as permitted by law.

h. No municipal electric utility or rural electric cooperative shall collect any interest, fee, or charge from residential customers for late or otherwise untimely payments of electric charges that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022. A local authority, municipal utility, or public utility may charge and collect fees, interest, and penalties for delinquent electric charges that accrued

prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after March 15, 2022, as permitted by law.

i. No public utility shall collect any interest, fee, or charge from residential customers for late or otherwise untimely payments of electric or gas charges that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and the expiration date of Executive Order No. 246 of 2021, or in the case of a customer participating in the Winter Termination Program set forth in N.J.A.C.14:3-3A.5, that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and March 15, 2022. A public utility may charge and collect fees, interest, and penalties for delinquent electric or gas charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after the expiration date of Executive Order No. 246 of 2021 or March 15, 2022, as applicable, as permitted by law.

j. No local authority, municipal utility, or public utility shall collect any interest, fee, or charge for late or otherwise untimely payments of sewer charges that accrued between January 1, 2022 and March 15, 2022, or that accrued between the declaration of a public health emergency in Executive Order No. 103 of 2020 and December 31, 2021 and had not been sold at tax sale as of January 1, 2022 or otherwise accrued to a lien that was struck off to a municipality or sold prior to January 1, 2022. A local authority, municipal utility, or public utility may charge and collect fees, interest and penalties for delinquent sewer charges that accrued prior to the declaration of a public health emergency in Executive Order No. 103 of 2020 and after March 15, 2022, as permitted by law.

k. (1) For a residential customer who, prior to June 15, 2022, has submitted an application to a State agency for utility assistance from the “Universal Service Fund,” established pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), the “Low Income Home Energy Assistance Program,” established pursuant to 42 U.S.C. s.8621 et seq., the “Low Income Household Water Assistance Program,” established pursuant to the Consolidated Appropriations Act of 2021, Pub.L.116-260, or any other utility assistance program administered by the State, but the residential customer has not received an application determination from the appropriate State agency, any local authority, municipal utility, public utility, or rural electric cooperative within the residential customer’s service territory shall continue to provide electric, gas, sewer, or water service to the residential customer for 60 days after the customer has submitted an application. If the customer completes the application, the local authority, municipal utility, public utility, or rural electric cooperative shall continue to provide electric, gas, sewer, or water service to the residential customer until such time as the application is approved or rejected by the appropriate State agency. Any discontinuance occurring to a residential customer described in this paragraph between the end of the extended grace period established pursuant to the effective date of P.L.2021, c.317 (C.40A:5A-28 et al.) and before the effective date of P.L.2021, c.4 shall be nullified and service shall be restored immediately.

(2) Notwithstanding any other provisions of law, when a residential customer has, prior to June 15, 2022, submitted an application to a State agency for utility assistance pursuant to paragraph (1) of this subsection, a local authority or municipal utility shall not place, sell, or enforce a lien on real property owned by a residential customer for the unpaid balance of any electric or water charges, or for the unpaid balance of any sewer charges not sold at tax sale, or otherwise accrued to a lien that was struck off to a municipality, or sold prior to January 1, 2022, until 60 days after the customer has submitted an application, or, if the application is completed, until such time as the application is approved or rejected by the appropriate State agency. If a residential customer has appealed a State agency’s denial of a utility assistance program application, a municipality or local authority shall delay placing, selling, or enforcing

a lien for the unpaid balance of water, sewer, or electric charges pending conclusion of administrative review by the State agency.

(3) Upon the termination of the protection from discontinuation of service afforded to a residential customer pursuant paragraph (1) of this subsection, the local authority, municipal utility, public utility, or rural electric cooperative shall offer the residential customer a utility service bill payment plan that conforms to the requirements of subsections b., c., d., or e. of this section, as applicable, except that such payment plan shall also include the unpaid balance of any electric, gas, sewer, or water charges accrued between March 15, 2022 and the termination of the protection from discontinuation of service afforded pursuant to paragraph (1) of this subsection. If the residential customer does not agree to a utility service bill payment plan within 30 days of being offered a plan pursuant to this paragraph, the local authority, municipal utility, public utility, or rural electric cooperative may take appropriate enforcement action, including discontinuing service or placing, selling, or enforcing a lien, to the extent otherwise permitted by law.

(4) Within two weeks of the effective date of P.L.2021, c.4, and on a bi-weekly basis thereafter, the Department of Community Affairs, Department of Human Services, Board of Public Utilities, or any other State agency that administers a utility assistance program, shall provide written notice to each local authority, municipal utility, public utility, and rural electric cooperative that provides electric, gas, sewer, or water service within the residential customer's service territory, which notice shall indicate:

(a) the name, address, and utility account number of each residential customer that has submitted an application or completed an application to a utility assistance program pursuant to paragraph (1) of this subsection; and

(b) the protections set forth in paragraphs (1) and (2) of this subsection, which prohibit the discontinuance of any utility service to that residential customer and the placing, selling, or enforcing of a lien on real property owned by a residential customer until the State agency determines the residential customer's application.

(5) Within 90 days of receiving a completed application for utility assistance from a residential customer, the Department of Community Affairs, Department of Human Services, Board of Public Utilities, or any other State agency that administers a utility assistance program shall provide approval or rejection of the application to the residential customer via regular mail and, if applicable, the online portal in which the residential customer applied for the utility assistance program.

(a) Upon receipt of a completed application, the Department of Community Affairs shall consider whether the residential customer is eligible for any utility assistance programs administered by the department when making an application determination. If the residential customer is eligible for participation in the Payment Assistance for Gas and Electric program, the Department of Community Affairs shall refer the application to the Affordable Housing Alliance, which administers the program, for review and determination.

(b) The notice provided to the residential customer pursuant to this paragraph shall include information concerning the availability of the utility bill service payment plans established pursuant to paragraph (3) of this subsection.

(6) Within seven business days of approving or rejecting a residential customer's application for a utility assistance program, the State agency that administers the utility assistance program shall provide a notice of determination to each local authority, municipal utility, public utility, and rural electric cooperative that provides electric, gas, sewer, or water service within the residential customer's service territory. In addition to any other information that the State agency may deem appropriate, the written notice shall indicate:

(a) the name, address, and utility account number of the residential customer who applied for the utility assistance program;

(b) the decision made on the application and the amount of assistance that will be provided to the residential customer; and

(c) the termination of the protections set forth in paragraphs (1) and (2) of this subsection.

(7) A local authority, municipal utility, public utility, or rural electric cooperative shall not be deemed to violate the provisions of this subsection if:

(a) the State agency failed to provide notice to the local authority, municipal utility, public utility, or rural electric cooperative pursuant to paragraph (4) of this subsection and the customer has not notified the local authority, municipal utility, public utility, or rural electric cooperative of the submitted application; or

(b) the local authority, municipal utility, public utility, or rural electric cooperative determines, in good faith, that a utility emergency requires the discontinuance or interruption of electric, gas, sewer, or water service.

(8) Residential customers of a municipal utility or local authority providing water or electric service shall have the interest on unpaid delinquent water or electric charges calculated as follows, with such calculations also to be used when calculating a tax sale lien redemption:

(a) unpaid charges delinquent prior to March 9, 2020 shall have interest calculated from either the due date or last date of payment to March 9, 2020, and from March 16, 2022 until the date of payment. No interest shall be calculated from March 9, 2020 through March 15, 2022; and

(b) unpaid charges delinquent from March 9, 2020 through March 15, 2022 shall have interest calculated from March 16, 2022 to the date of payment.

(9) Residential customers of a municipal utility or local authority providing sewer service shall have the interest on unpaid sewer charges delinquent as of March 15, 2022 calculated from March 16, 2022 to the date of payment.

(10) Redemptions of sewer liens that prior to January 1, 2022 were sold, accrued to a lien as a subsequent payment, or struck off to a municipality shall have interest calculated from the date of tax sale or the date of the subsequent payment to December 31, 2021, and from March 16, 2022 to the date of redemption. No interest shall be calculated from January 1, 2022 to March 15, 2022.

(11) Interest, late fees and penalties may be waived for residential customers of municipal utilities or local authorities providing water, sewer, or electric service to the extent necessary for compliance with utility assistance program requirements.

3. a. Upon the effective date of P.L.2021, c.4, the Department of Community Affairs, Department of Human Services, Board of Public Utilities, and any other State agency that administers a utility assistance program shall update all public information, including written materials, advertisements, and websites, regarding the availability of the Winter Termination Program set forth in N.J.A.C.14:3-3A.5, utility assistance from the “Universal Service Fund,” established pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), the “Low Income Home Energy Assistance Program,” established pursuant to 42 U.S.C. s.8621 et seq., the “Low Income Household Water Assistance Program,” established pursuant to the Consolidated Appropriations Act of 2021, Pub.L.116-260, or any other utility assistance program administered by the State.

The public information shall prominently include a statement of the consumer protections residential customers shall receive if the customer has submitted an application for a utility assistance program or completed an application for a utility assistance program.

P.L. 2022, CHAPTER 4

7

b. Each local authority, municipal utility, public utility, or rural electric cooperative shall provide the information in subsection a. of this subsection in any communication to a residential customer in connection with an overdue utility bill.

4. This act shall take effect immediately and shall be retroactive to March 15, 2022.

Approved March 25, 2022.