



**LFN 2021-22**

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# Local Finance Notice

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## Distribution

Administrators/Managers

Tax Collectors

Municipal Clerks

MUA Officials

Sewerage Auth. Officials

## COVID-19 Utility Ratepayer Relief Measures Implementation of P.L. 2021, c. 97 Notice Requirement

[P.L. 2021, c. 97](#) requires all investor-owned and local government-owned water, wastewater, and electric utilities to provide monthly ratepayer notice of COVID-19 related relief measures, and to post the notice prominently on their websites. The obligation to provide such notice will remain effective until 18 months after the date of termination of [Executive Order 103](#), which to date has not been terminated. Within parameters determined by the Board of Public Utilities and the Department of Community Affairs, as applicable, investor-owned utilities and local governments have certain flexibility in determining the form and manner of the notice; however, they must at least include certain standard information.

This Local Finance Notice explains how municipalities and direct customer-billing authorities operating water systems, wastewater treatment systems, and/or electric utilities can comply with the notice requirement.

### Substance of Notice

The ratepayer notice must contain, at minimum, information on any:

- Moratorium in effect on the disconnection, discontinuance, or termination of utility service;
- Deferred bill payment agreement program;
- Bill payment assistance program;
- Arrearage forgiveness program; and
- Moratorium in effect on rate increases or on the imposition of late fees, interest, or liens for late payments.

A model ratepayer notice in English and Spanish is included as an Appendix to this Notice and posted as Word documents ([English/Spanish](#)) on the Division of Local Government Services website's [Miscellaneous Publications](#) page.

For a municipality in which the primary language of 10 percent or more of the population is a language other than English, ratepayer notification shall be provided in that other language or languages for use by customers in that municipality. This information is provided by the United States Census Bureau's American Community Survey (ACS or Survey). An [Excel-based breakdown](#) is available on the Division's [Miscellaneous Publications](#) webpage. To determine whether your municipality has a population or populations meeting the 10 percent or greater threshold, first review the "Primary Lang by Mun 2019 Summ" tab which breaks down the percentage of people using languages such as Spanish, Korean, Vietnamese, Arabic, and Tagalog (Filipino). Because the 2011-2015 ACS contains a more detailed language breakdown than the later 2015-2019 Survey, the municipality will also need to check the "Primary Lang by Mun 2015 Detail" tab to verify whether there are other languages meeting the 10 percent or greater threshold. Among the languages specifically counted in the 2011-2015 ACS are Portuguese, Russian, Polish, French Creole, Hindi, and Gujarati. Please note that both the 2011-2015 and 2015-2019 Surveys only count Chinese language speakers as a whole without providing a further breakdown into Mandarin, Cantonese, et cetera.

To the extent the ratepayer notice directs customers to another municipal webpage or document for more detailed information, and the municipality has one or more populations of 10 percent or greater whose primary language is other than English, those more detailed resources should also be available in those languages.

#### Moratoriums on Service Interruption, Penalties, and Enforcement

[Executive Order 229](#), extended by [P.L. 2021, c. 103](#) to remain in effect until January 1, 2022, prohibits a local government from shutting off residential water or electricity accounts, and any such accounts primarily serving residential customers, due to nonpayment of water, sewer, or electric charges unless the disconnection is to prevent or ameliorate a risk to public health or safety. Similarly, until January 1, 2022, local governments are prohibited from collecting penalties or interest on late or otherwise delinquent water or electric payments from residential accounts or accounts primarily serving residential customers (such as an apartment building where the landlord is billed). Neither can delinquent water or electric charges accrued before or during the public health emergency become part of the year-end penalty under N.J.S.A. 54:4-67. It does not matter whether the delinquency occurred before the public health emergency declaration on March 9, 2020, or while the public health emergency is ongoing. If any subsequent charges are accrued during the public health emergency, then a municipality or authority is prohibited from collection activities related to those charges. As a result, municipalities cannot bring delinquent water or electric charges to tax sale until January 1, 2022.

The ratepayer notice must clearly and prominently communicate that the above-referenced moratorium on shut-offs, penalties, and enforcement (as applicable to water, sewer, and/or electric) will be in place until January 1, 2022, when Executive Order 229 expires. After January 1, 2022, the municipality or authority needs to inform residents of the moratorium's expiration.

#### Bill Assistance and Arrearage Forgiveness Programs

The New Jersey Department of Community Affairs (DCA) is currently developing a Low-Income Household Water Assistance Program (LIHWAP), the official debut of which will be announced

shortly. This program is designed to assist water and sewer customers facing economic hardship due to the COVID-19 pandemic. Once the LIHWAP program goes live, municipalities and authorities will need to update their ratepayer notices to publicize its availability.

If a municipality, or the county in which the municipality is situated, is offering its own utility assistance program (i.e. funded through ARP or CDBG dollars), information on the program and how to apply shall also be included in the notice, along with any utility assistance programs offered through non-profit community organizations.

Although not strictly oriented toward utility assistance, information on housing assistance programs can also be included on the notice to broaden awareness. [NJ 211](#) contains further information on such programs.

### Deferred Payment Agreements

By signing a vendor agreement to participate in the LIHWAP Program, the municipality or authority is required to offer those experiencing COVID-19 related negative economic impacts the opportunity to enter into a deferred payment agreement (i.e. installment plan) subject to law. The ratepayer notice must include a statement that ratepayers experiencing economic hardship during COVID-19 may be eligible to enter into a deferred payment agreement toward arrearages. The notice must also include contact information for ratepayers to obtain information on deferred payment eligibility and conditions, which the Division also recommends be listed on the municipality's or authority's website with the specific webpage link included in the ratepayer notice.

Deferred payment agreements offered by municipalities must comply with the requirements of N.J.S.A. 54:5-19. Please note that, if a ratepayer is already party to a deferred payment agreement on a particular parcel of property, the municipality cannot offer the delinquent ratepayer another agreement for the same parcel. The municipality must adopt a resolution authorizing an agreement requiring the total sum of delinquent payments, plus any interest and penalties, to be paid in equal monthly installments, the amounts of which shall be large enough to satisfy in full the total sum of delinquent payments plus any interest and penalties. The length of the agreement shall not exceed five years in duration. The agreement shall be conditioned upon timely payment of the specified installments and of all current service charges. In case any such installment of arrears or any current service charges are not paid within thirty days after the date when the same is due and payable, then such agreement shall be void and the municipal authority shall file a certification with the municipal tax collector to establish a lien on the parcel of real property for the unpaid balance.

### **Notice Distribution**

The ratepayer notice required by [P.L. 2021, c. 97](#) must not only be placed in a prominent location on the municipality's or authority's website, but also be affirmatively communicated monthly to ratepayers. Municipalities and authorities need to communicate the monthly notice through means reasonably calculated to reach their ratepayer base, including, but not limited to, water and sewer bills distributed through regular mail and online delivery. Unlike with many investor-owned utilities, the Division recognizes that many local units do not bill monthly for water and sewer, and further recognizes that issuing a new individual monthly mailer could potentially

require a rate increase. In lieu of a separate monthly mailer, other means of affirmatively communicating the monthly notice can include:

- E-mail communication;
- Mass text and/or voice messages;
- Social media posts;
- Distribution at community events, senior and recreation programs;
- Partnering with school district(s) on outreach;
- Partnering with community non-profits, including faith-based, on outreach; and
- Regular announcements at governing body meetings.

Local units are strongly encouraged to use a combination of available communication methods and to document the methods of ratepayer communication. The ratepayer notice should also be posted in a prominent place in the municipal building and the authority's administrative offices, with take-home fliers made publicly available. Authorities that directly bill customers are strongly encouraged to partner with their constituent municipalities in communicating the ratepayer notice. County-based sewerage authorities and MUAs that directly bill customers should also work with their constituent county or counties.

Municipalities and authorities that contract with an outside entity to operate their water and/or sewer operations (e.g. Water and/or Wastewater Public-Private Contracting Acts) should review the underlying contract to determine whether the outside entity would bear any responsibility for communicating the required notice and, if so, to what extent.

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Approved: Jacquelyn A. Suárez, Director

<b>Document</b>	<b>Internet Address</b>
P.L. 2021, c. 97	<a href="https://www.njleg.state.nj.us/2020/Bills/PL21/97_.PDF">https://www.njleg.state.nj.us/2020/Bills/PL21/97_.PDF</a>
Executive Order 103	<a href="https://nj.gov/infobank/eo/056murphy/pdf/EO-103.pdf">https://nj.gov/infobank/eo/056murphy/pdf/EO-103.pdf</a>
Executive Order 229	<a href="https://nj.gov/infobank/eo/056murphy/pdf/EO-229.pdf">https://nj.gov/infobank/eo/056murphy/pdf/EO-229.pdf</a>
P.L. 2021, c.103	<a href="https://www.njleg.state.nj.us/2020/Bills/PL21/103_.PDF">https://www.njleg.state.nj.us/2020/Bills/PL21/103_.PDF</a>
Primary Lang. Percentages (Other Than English)	<a href="https://www.nj.gov/dca/divisions/dlgs/resources/misc_docs/11-2021%20Primary%20Language%20by%20Municipality%20Data%20-%20COVID%20Ratepayer%20Notice.xlsx">https://www.nj.gov/dca/divisions/dlgs/resources/misc_docs/11-2021%20Primary%20Language%20by%20Municipality%20Data%20-%20COVID%20Ratepayer%20Notice.xlsx</a>
Model Notice (English)	<a href="https://www.nj.gov/dca/divisions/dlgs/resources/misc_docs/Model%20COVID-19%20Ratepayer%20Relief%20Notice.docx">https://www.nj.gov/dca/divisions/dlgs/resources/misc_docs/Model%20COVID-19%20Ratepayer%20Relief%20Notice.docx</a>
Model Notice (Spanish)	<a href="https://www.nj.gov/dca/divisions/dlgs/resources/misc_docs/Model%20COVID-19%20Ratepayer%20Relief%20Notice_SPANISH.docx">https://www.nj.gov/dca/divisions/dlgs/resources/misc_docs/Model%20COVID-19%20Ratepayer%20Relief%20Notice_SPANISH.docx</a>
NJ 211 COVID-19 Housing Assistance	<a href="https://www.nj211.org/covid-19-housing-assistance">https://www.nj211.org/covid-19-housing-assistance</a>

## Appendix

### Model Ratepayer Notice: COVID-19 Relief Measures (English and Spanish)

#### IMPORTANT MESSAGE: COVID-19 RATEPAYER RELIEF MEASURES

*Certain measures are in place providing relief to ratepayers experiencing economic hardship during the COVID-19 pandemic. Please review this message in its entirety. For more information please go to our website at <insert web address> or contact <insert email/telephone number>.*

#### SERVICE SHUTOFF MORATORIUM

BE ADVISED that Executive Order 229 currently prohibits a local government from shutting off water or electric service to a residential customer, or to accounts primarily serving residential customers, due to nonpayment of water, sewer, or electric charges unless the disconnection is to prevent or ameliorate a risk to public health or safety. **This shutoff moratorium remains in effect until January 1, 2022.**

*Note: If your local government has a policy of not shutting off customers, it may want to state here that it is not part of their normal policy to shut off residential customers for non-payment.*

#### LATE PAYMENT PENALTY AND LIEN ENFORCEMENT MORATORIUM

BE ADVISED that, **until January 1, 2022**, Executive Order 229 places a moratorium on local governments enforcing late payment charges and penalties on water or electric accounts, or referring a delinquent water or electric payment to tax sale. **On or after January 1, 2022**, charges and penalties may be imposed for delinquent payments, and any payments remaining delinquent may be referred to a tax lien sale held by the municipal tax collector.

#### BILL ASSISTANCE AND ARREARAGE FORGIVENESS PROGRAMS

The New Jersey Department of Community Affairs (DCA) is currently developing a Low Income Household Water Assistance Program (LIHWAP). This program is designed to assist water and sewer customers facing economic hardship due to the COVID-19 pandemic. Further information will be provided once the program goes live.

#### OPPORTUNITY TO REPAY ARREARAGES IN INSTALLMENTS

BE ADVISED that residents experiencing economic hardship during COVID-19 and who are behind on their <insert, as applicable, water, sewer, or electric> payments may be eligible to enter into an agreement whereby the resident agrees to pay their arrearages in installments over a period of time. As part of the agreement, the resident must keep up to date on all current charges. For more information on repaying arrearages in installments, <insert email/telephone number and, if applicable, the address of a webpage with specific information on deferred payment agreements>.

## AVISO IMPORTANTE: MEDIDAS DE AYUDA A LOS CONTRIBUYENTES MUNICIPALES POR COVID-19

*Se han implementado algunas medidas para ayudar a los contribuyentes municipales que tengan problemas económicos debido a la pandemia COVID-19. Por favor, lea este aviso por completo. Para más información, por favor, visite nuestro sitio web en <insert web address> o póngase en contacto con <insert email/telephone number>.*

### MORATORIA DE CORTES DE SERVICIOS PÚBLICOS

SE INFORMA que la Orden Ejecutiva 229 prohíbe actualmente a un Gobierno municipal desconectar el servicio de electricidad o de agua a un usuario residencial, o suspender cuentas que atienden principalmente a usuarios residenciales, debido a falta de pago de los servicios de agua, alcantarillado o electricidad a menos que la desconexión sea para prevenir o mitigar un riesgo para la salud o la seguridad pública. **Esta moratoria de cortes permanecerá en vigor hasta el 1 de enero, 2022.**

*Nota: Si el Gobierno municipal no tiene por norma suspender el servicio a los usuarios, es posible que desee indicar aquí que el corte del servicio a los usuarios residenciales por falta de pago no es parte de su política habitual.*

### MORATORIA EN LA EJECUCIÓN DE MULTAS POR PAGOS ATRASADOS Y GRAVÁMENES

SE INFORMA que, **hasta el 1 de enero, 2022**, la Orden Ejecutiva 229 impone una moratoria a los Gobiernos municipales en la imposición de multas por pagos atrasados y gravámenes sobre las cuentas de los servicios de agua o electricidad, o la remisión de pagos morosos de agua o electricidad a una venta fiscal. **A partir del 1 de enero, 2022**, se pueden imponer recargos y multas por pagos morosos y, asimismo, todo pago pendiente moroso podrá ser remitido a una venta por gravámenes impositivos a cargo del recaudador de impuestos municipales.

### PROGRAMAS DE ASISTENCIA CON PAGOS Y CONDONACIÓN DE ATRASOS

El Departamento de Asuntos Comunitarios de Nueva Jersey (DCA) actualmente elabora un Programa de Asistencia con el Servicio de Agua a Familias de Bajos Ingresos (LIHWAP). Este programa tiene el propósito de ayudar a los usuarios de los servicios de agua y alcantarillado que afrontan dificultades económicas por la pandemia COVID-19. Se brindará más información una vez que el programa esté en ejecución.

### OPORTUNIDAD DE SALDAR PAGOS MOROSOS A PLAZOS

SE INFORMA que los residentes que afronten problemas económicos durante la COVID-19 y quienes tengan pagos atrasados de los servicios de <insert, as applicable, agua (water), alcantarillado (sewer), or electricidad (electricity)> pueden ser elegibles para firmar un acuerdo por el cual se comprometen a pagar sus cuotas atrasadas a plazos durante un tiempo establecido. Como parte del acuerdo, el residente deberá ponerse al día en el pago de todos los cargos vigentes. Para más información sobre los pagos morosos a plazos, <insert email/telephone number and, if applicable, the address of a webpage with specific information on deferred payment agreements>.