

**CHAPTER 16**  
**GENERAL ADMINISTRATION**

**Chapter Expiration Date**

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FOR PUBLIC SANITARY SEWAGE COLLECTION  
SYSTEMS**

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**SUBCHAPTER 1. STATE FINANCIAL  
ASSISTANCE FOR PUBLIC SANITARY  
SEWAGE COLLECTION SYSTEMS**

**Authority**

Unless otherwise expressly noted, all provisions of this subchapter were adopted pursuant to authority of N.J.S.A. 13:1D-1 et seq. and were filed and became effective on January 23, 1978, as R.1978 d.18. See: 9 N.J.R. 460(a), 10 N.J.R. 59(c).

**7:16-1.1 Scope**

Unless otherwise provided by rule or statute, the following shall constitute the rules of the Department of Environmental Protection concerning reimbursement to local governmental units for inoperable sanitary sewage collection systems pursuant to the "State Public Sanitary Sewerage Facilities Act of 1968," as amended, N.J.S.A. 26:2E-1 et seq.

**7:16-1.2 Construction**

These rules shall be liberally construed to permit the Department, the Division of Water Resources, and its various agencies to discharge their statutory functions.

**7:16-1.3 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

"Collection system" means all of the common lateral, branch, submain and main sewers which are primarily installed for the purpose of collecting wastewaters directly from building sewers (which convey wastewater from in-

dividual structures or from private property) and which include service connection "Y" fittings designed for connection with the collection system. Building sewers are specifically excluded from this definition.

"Commissioner" means the State Commissioner of the Department of Environmental Protection.

"Department" means the Department of Environmental Protection.

"Interceptor system" means a sewer system whose primary purpose is to transport wastewaters from collection systems to a treatment facility.

"Local government unit" means and includes a county, municipality or any public agency established by the State as a regional agency or authority or by a county or a municipality for the purpose of constructing or operating a public sanitary sewerage facility.

"State" means the State of New Jersey.

**7:16-1.4 Eligibility for State reimbursement for annual interest and debt service cost**

Whenever any local governmental unit, pursuant to an order of the Department of Environmental Protection and in compliance therewith, has completed the installation of its sanitary sewage collection system and issued bonds or bond anticipation notes to finance such system, and such system is inoperable because the sewerage authority charged with the duty of providing an interceptor system has not yet so provided and therefore no interceptor system is ready to receive the effluent from such municipal collection system through no fault of the local governmental unit, the State shall reimburse such governmental unit for annual interest and debt service costs for the collection system.

**7:16-1.5 Application for State reimbursement**

(a) Any local governmental unit which meets the requirements of section 4 of this subchapter may apply to the department for reimbursement of annual interest and debt service costs. Such application shall be on forms supplied by the department and shall contain all information the department deems necessary to review and evaluate the merits of the local governmental unit's application.

(b) The application shall be submitted to the department at the following address:

Department of Environmental Protection  
Division of Water Resources  
P.O. Box 2809  
Trenton, New Jersey 08625

**7:16-1.6 Review of State reimbursement applications**

Upon the submission of the application form and all information requested by the department, the department shall review the application and make a determination as to the eligibility of the local government unit for State reimbursement for annual interest and debt service charges. Nothing contained herein shall preclude the Department from requesting such additional information as it deems necessary to make a determination.

**7:16-1.7 Decision of the Department; hearing**

(a) If the Department approves the application for State reimbursement, the application and all relevant information shall be submitted to the State Department of Treasury. The extent of reimbursement shall be subject to the availability of funds appropriated by the State Legislature.

(b) If the Department rejects the eligibility of the local governmental unit, the local governmental unit shall have 15 days from receipt of such notice to request a hearing before the Department. The request for a hearing shall be in writing and sent to: Office of Legal Affairs, ATTENTION: Adjudicatory Hearing Requests, Department of Environmental Protection and Energy, PO Box 402, Trenton, New Jersey 08625-0402.

Administrative Correction and change in (b).  
See: 23 N.J.R. 3325(b).

**7:16-1.8 State reimbursement procedures**

(a) Upon appropriation by the Legislature to reimburse a local governmental unit for some or all annual interest and/or principal charges, payments shall be made to the local governmental unit in accordance with procedures established by the State. Reimbursement to a local governmental unit under N.J.S.A. 26:2E-8.1 is subject to, and contingent upon appropriation by the Legislature, and such appropriation shall be allocated among the local governmental units deemed eligible for reimbursement pursuant to these regulations.

(b) Any such payments by the State shall be made only for reimbursement for some or all of the interest and principal payments already made by the local government to note or bondholders. These regulations and N.J.S.A. 26:2E-8.1 and any funds appropriated and disbursed thereunder shall in no way establish any liability or moral obligation on the part of the State to the affected note and bondholders. The liability to note and bondholders incurred by local governments for the payment of principal and interest for a sanitary sewage collection system eligible for State aid under these regulations shall not in any way be changed or shared by the State as a result of the adoption of these regulations or any action taken thereunder. Any local government representations to the contrary to prospective purchasers of its notes or bonds shall render said local government ineligible for State aid under these regulations.

(c) Misrepresentation of any information contained in an application shall result in the forfeiture of eligibility for funding by a local governmental unit, and any funds disbursed to a local governmental unit shall be refunded to the State upon notification thereof to the local governmental unit.

**7:16-1.9 Completion of the sewerage authority interceptor system**

(a) Upon completion of the sewerage authority's interceptor system the sewerage authority shall notify the State that such system has been completed, indicating the date of completion.

(b) The local governmental unit shall notify the State when the sanitary sewage collection system becomes operative, indicating the date of operation.