



Testimony on S1073
Senate Environment Committee
May 10, 2018

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S1073 Provides Communities with Essential Clean Stormwater and Flood Reduction Tool

Chairman Smith and members of the committee,

Thank you for the opportunity to testify today on behalf of New Jersey Future in support of Senate Bill 1073, which would allow municipalities, counties, and certain authorities to create stormwater utilities. I want to thank Senator Smith and Senator Bateman for championing this important issue.

We all want New Jersey's cities and towns to be modern, prosperous communities. They should be clean, healthy places to live and work, and to attract businesses and developers.

Unfortunately, many of our cities and towns can't achieve this vision because the infrastructure in place to manage damaging and disruptive flooding is too old and inadequate. Upgrading stormwater infrastructure is expensive, and this expense will be especially large in our oldest cities – cities like Newark, Jersey City, Camden, and Perth Amboy – that are required to upgrade combined sewer systems. New Jersey communities need a new way to finance upgrades to their stormwater management systems.

More than 1,600 communities in 40 other states have developed a sustainable revenue source to address flooding and stormwater pollution. Communities in 40 states are allowed to adopt a stormwater utility fee to raise funds for better stormwater management. By reducing flooding and pollution, stormwater utilities can boost the health of residents and businesses alike. New Jersey can access this equitable funding solution by adopting S1073.

Stormwater utilities provide a more equitable way to raise funds by connecting fees to the cause of pollution. Currently, stormwater management is paid for either through property taxes, which allow tax-exempt properties to avoid responsibility for their stormwater runoff, or through sewer fees, which are small or non-existent for the owners of parking lots and warehouses. Developers are often required to build major new stormwater management systems as part of their projects, while other property owners aren't required to make upgrades. Unlike those mechanisms, stormwater utilities base fees on the burden a property places on the stormwater system, and all property owners share the responsibility to contribute. This bill also gives property owners the option to reduce fees if they manage stormwater on site.

The fee is strictly a fee. Unlike property taxes, which can be used for many budget items, revenue generated by stormwater utilities would be required by law to be spent directly on stormwater management activities and could not be used for any other purpose. Upgrades may include replacing old stormwater pipes that are too small to handle the runoff generated by today's more powerful storms, attaching netting on outfalls to prevent trash from flowing into our rivers, and creating rain gardens,

street trees, and other systems that capture stormwater where it falls and beautify neighborhoods at the same time.

New Jersey Future supports the bill and offers two amendments to improve it further:

1. The bill should clarify that stormwater utilities will base their activities on an asset management plan that identifies the improvements needed to achieve a desired level of service. Asset management planning is a best practice that is now required for drinking water utilities in New Jersey to ensure the most cost-effective upgrades.
2. The bill should not allow funds raised by stormwater fees to be diverted to the municipal or county general fund. The public needs to know that funds raised for stormwater management will be used for that purpose.

In addition, the bill has a new provision allowing utilities to use eminent domain to acquire a privately owned stormwater management system. Such systems are often an integral part of a private development project. We encourage committee members to meet with the development community to clarify, and perhaps amend, this provision.

Vote yes to authorize stormwater utilities. Cities across the country have realized that stormwater infrastructure upgrades support not only community health but also economic growth. They have already had enough of a head start addressing this issue. Now is the time for New Jersey to give its communities the same opportunity to take action.