

LFN 2024-17

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Municipal

Managers/Administrators

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Managers

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Tax Collection Software  
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## Winter Termination Program

*Note: This Notice is a stand-alone update of the Winter Termination Program section in Local Finance Notice 2023-09. Please review this entire Notice.*

Section 4 of [P.L. 2021, c. 317](#) establishes a “Winter Termination Program” in DCA allowing eligible residential customers to avoid service shutoff from November 15 through March 15 for non-payment of water, sewer, or electric service provided by a local unit. Program regulations can be found at [N.J.A.C. 5:45](#). An equivalent program has been established in the Board of Public Utilities (BPU) for investor-owned water and sewer utilities, expanding a pre-existing program applying to electric and gas shutoffs. P.L. 2021, c. 317 requires the DCA Program to substantially reflect the provisions of the BPU version. The DCA Winter Termination Program webpage can be found [here](#).

The prohibition on service shutoffs does not apply to shutoffs necessitated by a “utility emergency,” defined as any condition constituting a potential danger to life, health, or property requiring a local unit to discontinue, interrupt, or maintain the discontinuation or interruption of electric, sewer or water service or that results in an unscheduled discontinuance or interruption in electric, sewer or water service.

### Local Units to Whom the Program Applies

Local units that have a policy allowing for the discontinuance of service between November 15 and March 15 as a means of enforcement for nonpayment of water, sewer, or electric by any residential customers must participate in the Winter Termination Program, regardless of whether such shutoffs are conducted in practice. A local unit having a policy of conducting residential shutoffs on March 16 or after and continuing those shutoffs after November 15 must likewise participate in the Winter Termination Program.

If a local unit does not have a current ordinance, resolution, or written policy authorizing service shutoffs between November 15 and March 15 as a means of enforcement for residential ratepayer nonpayment and does not otherwise discontinue service for residential ratepayers for nonpayment during that period without a written policy, the local unit is not subject to the provisions of the Winter Termination Program law save for a modified notice requirement further explained below.

### Customer Eligibility and Enrollment Process

DCA does not review applications to determine whether a residential ratepayer is eligible for the Winter Termination Program. A residential ratepayer receiving a water, sewer, or municipal electric bill must contact the local unit to request entry into the Program and provide the eligibility criteria they fall under, either verbally or by completing a self-certification form ([English version](#)/[Spanish version](#)).

A residential customer qualifies for protection from shutoffs between November 15 and March 15 upon demonstrating they are recipients of:

- [LIHEAP](#), or certified as eligible therefor pursuant to standards set by the New Jersey Department of Community Affairs;
- The [Universal Service Fund \(USF\)](#);
- [Temporary Assistance to Needy Families \(TANF\)](#);
- [Federal Supplemental Security Income \(SSI\)](#);
- [Pharmaceutical Assistance to the Aged and Disabled \(PAAD\)](#);
- Benefits pursuant to the [Lifeline Credit Program](#); or
- [General Assistance \(GA\) benefits](#).

Residential customers are also eligible for the Winter Termination Program if they participate in any other State or local program providing assistance specifically to help pay water, sewer, or electric bills, or are unable to pay their utility bills due to circumstances beyond their control. Such circumstances shall include, but not be limited to, unemployment, illness, medical-related expenses, recent death of an immediate family member, or any other circumstances that might cause financial hardship. Investor-owned utilities generally do not ask customers for additional documentation beyond the customer's representation of financial hardship. Although a local unit can request documentation from the customer such as proof of receiving benefits from one or more of the assistance programs outlined above, local units are similarly expected to substantially rely on the customer's representation of financial hardship and avoid placing an onerous burden of proof on the customer.

An eligible residential customer can enter the Winter Termination Program at any time without having to wait for a shutoff notice. Once the protection period ends after March 15, customers must re-enroll in the Program to receive shutoff protection for the following winter season.

Detailed, consistent recordkeeping is critical. Each local unit should designate one or more individuals to be responsible for tracking customer eligibility and enrollment into the Winter Termination Program.

### Customer Protections and Obligations under the Program

Residential customers enrolled in the Winter Termination Program are protected from shutoffs for nonpayment during the protection period of November 15 through March 15. The enrolled

customer is obligated to provide good-faith payments during the protection period if the customer is able. After March 15, the customer becomes responsible for the accumulated overdue balance of service charges, interest, penalties, and fees, which can be enforced by service shutoff. The local unit and the customer can agree to reduced payments during the protection period of November 15 through March 15 to reduce the balance owing at the end of the protection period – this type of payment arrangement would not be subject to the provisions of N.J.S.A. 54:5-19. Local units are strongly encouraged to work with eligible customers in crafting a sustainable payment schedule.

The local unit must restore service during the protection period of November 15 through March 15 to a new enrollee who, when entering the program, already had their service shut off for nonpayment. Investor-owned utilities, prior to restoring service under the Winter Termination Program to an enrolled customer who has been shut off, are permitted to require the customer to make a down payment not exceeding 25 percent of the outstanding balance but must consider the customer's ability to pay in determining the appropriate level of the down payment. Given the practical difficulty of proving a customer's ability to pay in many cases, and the substantial deference granted to the customer in the Winter Termination Program, local units may face challenges in requiring a down payment as a condition of restoring service under the Program. During the protection period, the local unit shall not ask the customer to provide a security deposit or an addition to a preexisting security deposit.

Any residential customer receiving electric, water, or wastewater-related financial assistance shall forward those benefits to the local unit providing the applicable service.

#### Lien Enforcement for Delinquent Water/Sewer/Electric Charges

The Winter Termination Program does not prohibit enforcement of liens for water, sewer, or electric arrearages accrued between November 15 and March 15. A municipality that is subject to the Winter Termination Program may enforce delinquent water, sewer, or electric charges, including arrearages accumulated during the protection period, through tax sale. A lien for such charges may be put up for sale during the protection period which, if sold, would reduce the ratepayer's arrearage balance on March 16. A residential ratepayer's ability to make good-faith payments under the Program does not override the ratepayer's statutory obligation to keep current on all municipal charges as a condition of maintaining an installment plan that a ratepayer previously entered into under N.J.S.A. 54:5-19.

Given the Legislature's objective to provide relief to eligible residential ratepayers, municipalities may adopt a policy to refrain from enforcing delinquent municipal water, sewer, or electric charges accrued during the protection period through tax sale until the Program-participating ratepayer has had an opportunity to satisfy the arrears by some date after March 15. See also Local Finance Notice 2020-25 (explaining how P.L. 2020, c. 39 allows local units to work with ratepayers on delinquent water and sewer charges during a declared state of emergency). After March 15, any installment plan offered by a municipality for delinquent charges accrued by a Program-participating ratepayer during the protection period must follow N.J.S.A. 54:5-19 - see Appendix A of Local Finance Notice 2022-11 for the statutory text.

Notwithstanding [N.J.A.C. 5:31-3.2](#) requiring municipal utilities authorities and sewerage authorities certify all delinquent charges to the tax collector, such authorities may adopt a policy allowing a Program-participating ratepayer a similar opportunity to satisfy arrearages accrued between November 15 and March 15 – although the authority must inform the tax collector of such arrangements.

### Notice to Ratepayers

Local units to whom the Winter Termination Program applies must send a notice about the Program to all residential customers in the billing cycle prior to November 15. A new residential customer starting service in a billing cycle after November 15 shall be notified about the Program at the time the new service starts. Model notice content is included in Appendix B to this Notice, the Word document versions of which can be found on the Division’s Miscellaneous Publications webpage in [English](#) and [Spanish](#). A generic bill insert can be found [here](#).

A local unit not subject to the Winter Termination Program must post a notice on its website generally describing the Winter Termination Program. Posting a link to the DCA Winter Termination Program flyer ([English](#) version/[Spanish](#) version) will suffice.

Local units are encouraged to regularly check the [Winter Termination Program webpage](#) for updated information and notice forms.

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Approved: Jacquelyn A. Suárez, Commissioner & Director

Winter Termination Program Page	<a href="https://www.nj.gov/dca/dhcr/offices/wintertermination.shtml">https://www.nj.gov/dca/dhcr/offices/wintertermination.shtml</a>
WTP Regulations	<a href="https://nj.gov/dca/dhcr/offices/pdf/R.2023_d.093_(55_N.J.R._1705(a)).pdf">https://nj.gov/dca/dhcr/offices/pdf/R.2023_d.093_(55_N.J.R._1705(a)).pdf</a>
WTP Self-Certif. Form (English)	<a href="https://www.nj.gov/dca/dhcr/offices/docs/Self_Cert_for_WTP.pdf">https://www.nj.gov/dca/dhcr/offices/docs/Self_Cert_for_WTP.pdf</a>
WTP Self-Certif. Form (Spanish)	<a href="https://www.nj.gov/dca/dhcr/offices/pdf/Draft_Self_Cert_for_WTP_SPA.pdf">https://www.nj.gov/dca/dhcr/offices/pdf/Draft_Self_Cert_for_WTP_SPA.pdf</a>
WTP Model Notice Text	<a href="https://www.nj.gov/dca/dlgs/resources/misc_publications.shtml">https://www.nj.gov/dca/dlgs/resources/misc_publications.shtml</a>
WTP Sample Bill Insert	<a href="https://www.nj.gov/dca/dhcr/offices/pdf/Wnter_Termination_vendor_sample_letter.pdf">https://www.nj.gov/dca/dhcr/offices/pdf/Wnter_Termination_vendor_sample_letter.pdf</a>
WTP Gen. Information Flyer (Eng.)	<a href="https://www.nj.gov/dca/dhcr/offices/docs/Winter_Termination_flyer.pdf">https://www.nj.gov/dca/dhcr/offices/docs/Winter_Termination_flyer.pdf</a>
WTP Gen. Information Flyer (Span.)	<a href="https://www.nj.gov/dca/dhcr/offices/pdf/Winter_Termination_flyer_SPA.pdf">https://www.nj.gov/dca/dhcr/offices/pdf/Winter_Termination_flyer_SPA.pdf</a>
N.J.A.C. 5:31-3.2	<a href="https://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/5_31/njac_5313.pdf">https://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/5_31/njac_5313.pdf</a>
LIHEAP	<a href="https://nj.gov/dca/dhcr/offices/hea.shtml">https://nj.gov/dca/dhcr/offices/hea.shtml</a>
Universal Service Fund (USF)	<a href="https://nj.gov/dca/dhcr/offices/usf.shtml">https://nj.gov/dca/dhcr/offices/usf.shtml</a>
Temp. Assist. Needy Fam. (TANF)	<a href="https://www.nj.gov/humanservices/wfnj/">https://www.nj.gov/humanservices/wfnj/</a>
Fed. Supp. Security Income (SSI)	<a href="https://www.ssa.gov/ssi/">https://www.ssa.gov/ssi/</a>
Pharm. Aged & Disabled (PAAD)	<a href="https://www.nj.gov/humanservices/doas/services/l-p/paad/">https://www.nj.gov/humanservices/doas/services/l-p/paad/</a>
Lifeline Credit Program	<a href="https://www.nj.gov/humanservices/doas/services/l-p/lifeline-utility/">https://www.nj.gov/humanservices/doas/services/l-p/lifeline-utility/</a>
General Assistance (GA)	<a href="https://www.nj.gov/humanservices/wfnj/">https://www.nj.gov/humanservices/wfnj/</a>
LFN 2022-11	<a href="https://www.nj.gov/dca/dlgs/lfns/2022/2022-11.pdf">https://www.nj.gov/dca/dlgs/lfns/2022/2022-11.pdf</a>
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