

New Jersey Department of Community Affairs
Division of Local Government Services

CFO 2003-6

7/17/2003

Notice Number

Date

LOCAL FINANCE NOTICE

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CY 2003/FY 2004 STATE AID RECAPITULATION AND PAYMENT SCHEDULES

As adopted, the State's Fiscal Year 2004 budget continued aid programs from last year. This Notice reviews those changes and summarizes the aid payment program for CY 2003 and SFY 2004 budgets. Among those items unchanged is the August 1 payment of 45% of formula aid (the previous July 15 was combined with the August 1 payment).

The municipality's aid breakdown and amounts for each payment cycle are detailed on the enclosed "CY 2003/SFY 2004 Aid Recapitulation and Payment Schedule" (Recap Form). **Do not discard the form; keep it available for use during the year.** The balance of this Notice outlines the programs and highlights those that have been modified.

Please read this Notice carefully before calling the Division with questions. Answers to many questions are fully covered in the text. If you do have questions, call us at (609) 292-4806.

Energy Receipts Tax And CMPTRA Modifications

The adopted State FY 2003 budget **did not** change the original aid certifications for Energy Receipts Tax (ERT) and CMPTRA programs. The budget increased ERT by 1 percent and held CMPTRA at least year's level

Because of the changes over the last two years in formula aid allocation, the Recap Form has been modified to show only net CMPTRA payment amounts.

The Recap Form now shows the net CMPTRA formula allocation, any Qualified Bond offset for municipalities participating in that program, and any negative carry-forward against Fall ETR for Qualified Bond offsets that exceed the CMPTRA allocation.

The budget continues the Supplemental ERT payment cycle of State fiscal year municipalities receiving their payment in June and Calendar Year municipalities in July.

Other Programs

Legislative Initiative Municipal Block Grant continues at last year's amounts, with adjustments to ensure no loss due to use of the 2000 census figures. Aid will be paid in a single payment as part of the September payment. The State budget continued to provide aid to those municipalities that received **REAP** payments last year.

Payments in lieu of taxes from the **Garden State Trust** programs are paid in advance of the fiscal year in which they are realized. The payment received in the fall of 2002 was to be reserved for use in CY 2003 budgets and

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anticipated in SFY 2003 budgets. The payment that will be received in the fall of 2003 is to be reserved and held for use in CY 2004 budgets and anticipated in SFY 2004 budgets. The payment date for the **Senior Citizens and Veterans Tax Deductions** is November 1.

In addition, many municipalities receive Automated Clearing House (ACH) payments from the Division of Fire Safety (quarterly payments to municipalities based on license fees), and the Department of Law and Public Safety (Safe & Secure Communities grant payments). These payments are not yet scheduled and we cannot estimate when ACH payments will be made. If the municipality receives unexpected payments, it will often be from one of these programs, and the CFO should inquire with local program personnel to see if they can verify if a payment is expected. If not, please call the Division at 609-633-6633 and we will attempt to assist you.

Payment Schedule

Aid payment schedules are unchanged. The following schedule details direct deposit dates for ACH payments. The installment payment program includes the Consolidated Municipal Property Tax Relief Aid and Energy Receipts Tax programs:

Statutory Payment Date	Percent of Aid	ACH Deposit Date
August 1	45%	<i>August 1</i>
September 1	30%	<i>September 2</i>
October 1	15%	<i>October 1</i>
November 1	5%	<i>October 31</i>
December 1	5%	<i>November 28</i>

To recap the single payment schedule:

- September payment includes the Legislative Initiative Municipal Block Grant;
- Calendar Year Extraordinary Aid will be part of the October payment (SFY to be announced later);
- Senior Citizens/Veterans Property Tax are paid in the November payment; and,
- REAP in November payment.

Finally, due to State law changes, the **CY 2003** Supplemental Energy Tax Receipts payment was paid on July 15, 2003, and the **SFY 2004** payment will be made in mid-June 2004. **SFY** municipalities receiving these funds for **FY 2003** were paid around June 24, 2003.

Municipalities with fire districts are reminded that they must make the appropriate payments for the old Supplemental Fire Services Program to their fire districts by November 1.

Thank you for your attention to these issues.



Matthew U. Watkins, Director
Division of Local Government Services

Distribution: Chief Financial Officers
Enclosure

N.J. Department of Community Affairs
 Division of Local Government Services
CY 2003/FY 2004 AID RECAPITULATION AND PAYMENT SCHEDULE

(Use with Local Finance Notice *CFO 2003-6*)

Municipality:

County:

FINAL AID ALLOCATION AND PAYMENT CALCULATION

Consolidated Municipal Property Tax Relief Aid		Energy Tax Receipts	
Net CMPTRA Allocation		ETR Total	
Less Qualified Bond Offset		Less Spring Allocation	
Final CMPTRA Payment Amount		Net Fall Allocation	
		Less carry-forward of any Net CMPTRA Payment Amount negative balance	
		Total Fall Energy Receipts Tax Payment	

INSTALLMENT AID PAYMENT SCHEDULE

Deposit/Mailing Date	CMPTRA	Fall Energy Receipts	TOTAL
TOTAL PAYMENT			
August 1 (45%)			
August 31 (30%)			
October 1 (15%)			
November 1 (5%)			
November 30 (5%)			

SINGLE PAYMENT PROGRAM ALLOCATION AND SCHEDULE

PROGRAM	Deposit Date	AMOUNT
CY 2003/FY 2003 Supplemental Energy Tax Receipts (Spring payment)	SFY paid after 6/15/03 CY Paid on 7/15/03	
Legislative Initiative Municipal Block Grant	September 1	
Garden State Trust (for FY 04 budgets)*	October 1	Per DEP allocation
Calendar Year Extraordinary Aid	October 1	
Senior Citizens and Veterans Tax Deduction	November 1	To be determined

* CY Municipalities must reserve the Garden State Trust payment made in October 2003 for use in 2004's budget. SFY municipalities should anticipate revenue based on last year's amount.