

LFN 2015-7

February 26, 2015

Local Finance Notice

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Municipal Clerks

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CY 2015/SFY 2016 State Aid Certification

On February 24, 2015, Governor Chris Christie presented his proposed FY 2016 budget to the State Legislature. No municipality will receive less total State formula aid in support of its CY 2015 or FY 2016 budget than it received in support of their prior year budget.

Budget Certification

The State Fiscal Year 2016 budget proposes level aggregate funding for Consolidated Municipal Property Tax Relief Aid (CMPTRA), Energy Tax Receipts aid (ETR), Garden State Trust and Watershed Moratorium Offset aid.

Funding for Transitional Aid (TA) will also continue, though prior recipients may see a reduction, depending on a review of applications. The procedure for Transitional Aid for CY municipalities is found in Local Finance Notice 2015-4.

The CY 2015/SFY 2016 Aid Certification for each municipality will be posted **by Thursday, February 26, 2015** on the Division's website under the Information Resources/Municipal State Aid heading. Local officials must obtain their certifications from the website; they are not mailed.

The certifications will show aid allocations for each municipality and are used in preparing the revenue section of CY 2015 budgets. A full spreadsheet of CY 2015 and SFY 2016 budgeted allocations is also on the website. While the proposed budget can serve as a guide to SFY municipalities, final SFY certifications will be posted once the state budget is adopted if there are any changes in the municipal aid numbers during the legislative process.

Consolidated Municipal Property Tax Relief Aid and Energy Tax Receipts

Aid certifications reflect both last year's and the current year's allocation for CMPTRA and ETR. They also reflect Business Personal Property (BPP) responsibilities and those with responsibilities to pay fire districts aid allocated to them under the old Supplemental Fire Services Program; in addition to the traditional split of BPP amounts between the municipality and school. All CY 2015 budgets must reflect the certified aid.

The basis for the initial ETR program was described in Local Finance Notice MC 97-6. ETR is shown as a single line item (combining base and Supplemental program payments), with base formula payments made between August 1 and December 1. CY 2015 Supplemental Energy Tax Receipts recipients will receive that payment on or about July 15. SFY 2016 municipalities receiving the Supplemental payment will receive their payment in mid-June 2016.

Watershed Moratorium Offset Aid

The proposed budget keeps the FY 2016 appropriation for Watershed Moratorium Offset Aid at the FY 2015 appropriation of \$2.218 million.

Garden State Trust Aid

The proposed budget keeps the FY 2016 appropriation Garden State Trust Aid at the FY 2015 appropriation of \$6.483 million.

Payment Schedule

A final aid payment schedule will be provided in July, prior to the first payment on August 3. Payments to most municipalities are made electronically through the Automated Clearing House payment system. In order for this system to work properly, any changes in the municipality's depository bank must be reported to the Division, as soon as possible, so the necessary changes can be made in the payment computer system. If the bank or account number changes, the Credit Authorization Agreement for Automatic Deposits form and instructions can be obtained from the State Office of Management and Budget website.

Budget Introduction

Budgets introduced on the first regularly scheduled council meeting after March 13 will be considered by the Division of Local Government Services as having been timely introduced. However, applicants for either Transitional Aid or Essential Service Grants must have their budgets introduced by application deadlines.

Approved: Timothy J. Cunningham, Director

Table of Web Links

Page	Shortcut text	Internet Address
1	Local Finance Notice 2015-4	http://www.state.nj.us/dca/divisions/dlgs/lfns/15/2015-04.pdf
2	Municipal State Aid	http://www.state.nj.us/dca/divisions/dlgs/resources/muni_stateaid.html
2	Local Finance Notice MC 97-6	http://www.state.nj.us/dca/divisions/dlgs/lfns/pre_98/cfo-1997-6.pdf
2	Credit Authorization Agreement for Automatic Deposits form	http://www.state.nj.us/treasury/omb/forms/index.shtml