

Notice Number

Date

LOCAL FINANCE NOTICECHRISTINE TODD WHITMAN
GOVERNORJANE M. KENNY
COMMISSIONERULRICH H. STEINBERG, JR.
DIRECTOR**CY 2000 Statement of State Aid and REAP Program Update**

Enclosed with this Local Finance Notice is your municipality's Statement of State Aid, the content of which is to be provided to your property taxpayers. As in the past, the Statement may be printed on your municipality's property tax bill, or be reproduced and included as an insert with the tax bill sent to property owners. Local Finance Notices 92-11 and CTC-95-1 have additional background information on the process. The Statement is required, pursuant to N.J.S.A. 54:4-65.

REAP Program Information

Beginning with this year's Statement, the format has changed due to the inclusion of information regarding aid property taxpayers receive through the new Regional Efficiency Aid Program (REAP). The REAP statement is required pursuant to N.J.S.A. 54:4-8.79(i). If your municipality does not participate in the program, your statement must show a \$0 amount for school and municipal REAP aid. *As counties were not able to participate in REAP for this year, that line should show dashes (-----) or x's (xxxxxx).*

To participate in the REAP program a municipality had to file an Initial Application with the Division several months ago. Those that qualified for the program received a Final Application. These applications were reviewed and those eligible programs were included in the program. Those municipalities received a separate notice advising them of their grant awards. The Division is currently studying the feasibility of permitting those that may have qualified for aid, but did not apply, to receive a retroactive award next year. Announcements on this will be made in the fall.

In participating municipalities, tax assessors had to combine State data with locally determined information to identify those residential parcels that are eligible for the program. In most cases, this involved the assessor mailing a survey to certain parcels identified by the MOD IV system. This information will be used to determine the valuation on which the REAP aid is allocated. Thus, these surveys must be returned by the time the County Board of Taxation strikes the tax rates for the municipality so their REAP tax rate credit will be as accurate as possible. The Division is working with the Division of Taxation to prepare a process for those residents who submit survey forms late to get a check from the State to compensate them. Next year, we expect to complete the process much earlier, which will eliminate the issue of late surveys.

We are aware that residents may have questions with regard to the REAP program and their municipality's participation in it. Local officials are urged to answer those questions. To assist in this we have enclosed a "Frequently Asked Questions" sheet about the REAP program with questions targeted to those most likely asked by the public. Please share this with other local officials and endeavor to respond to these questions.

Director's Office
(609) 292-6613Local Government
Research
(609) 292-6110Financial Regulation
and Assistance
(609) 292-4806Local Finance
Board
(609) 292-0479Local Management
Services
(609) 292-7842Authority Regulation
(609) 984-0132Fax
(609) 984-7388

Tax collectors are also reminded that REAP aid also goes to Class 4C (apartment) parcels. The REAP aid will appear on Tenant Property Tax Rebate notices and will have to be rebated by landlords to their tenants.

Statement of State Aid

Local Finance Notice CTC 2000-2 contains detailed information on how municipalities can respond to public concerns raised by the REAP program. Please refer to that Notice for advice on communicating with taxpayers about the program.

With regard to the Statement of State Aid, the formula for calculating the amount of municipal aid on the Statement includes the following programs:

Programs included in the Municipal Government amount are:

- Consolidated Municipal Property Tax Relief Aid (whole amount prior to pension savings reduction).
- Energy Receipts Tax — all payments
- Legislative Initiative Municipal Block Grant
- Extraordinary Aid
- Distressed Cities Aid

New items this year include:

- Watershed Moratorium Offset Aid
- Garden State Trust Payment in Lieu of Taxes
- Replacement Revenue – Business Personal Property Tax (Bell Atlantic)

The Local and Regional School District line includes:

- Department of Education allocation of State aid funds. Regional district aid is apportioned on the same basis as property taxes for the district. It also includes estimates of the State's payment for local pension and social security costs and Type1 and Type 2 debt service aid (even though actually paid to the municipality).

The County portion includes:

- CY 2000 estimated cost savings from the State program assuming of certain human service costs, which took effect in 1991.
- CY 2000 State resources utilized in the assumption of county court costs.
- Apportionment of State education aid provided to County Special Services and Vocational Education Districts (including pension, social security costs, and debt service aid).

A certification must be completed by the tax collector and sent to the Division regarding mailing of the Statement of State Aid. The certification is on the bottom of the enclosed Statement . If your municipality received a waiver from printing the REAP information because your tax bills has been previously printed, check the box on the certification form.

If your Statement is needed for reproduction and was damaged in transit or otherwise unusable, please call the Division at (609) 984-6626 for a replacement. Please share this notice and the form with your Chief Financial Officer.



Ulrich H. Steinberg, Jr., Director
Division of Local Government Services

Distribution: Calendar Year Tax Collectors (Collectors to distribute to Chief Financial Officers)
County Tax Board Administrators