

REDI & REAP INFORMATION NOTICE

CHRISTINE TODD WHITMAN
GOVERNOR

JANE M. KENNY
COMMISSIONER

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COMMISSIONER

Regional Efficiency Aid Program "Intent to Apply for Aid" Application

Chapter 61 of the Laws of 1999 created the Regional Efficiency Aid Program (REAP), a new State program that provides property tax relief in those local government units (municipalities, counties, schools and fire districts) that entered new shared service agreements after July 1, 1997. A new type of program, it provides direct property tax relief by reducing property taxes owed by homeowners and landlords. The amount of the aid is based on the types of shared services, the population of the municipality, and the degree of fiscal stress experienced by the municipality.

Under the program, a "negative tax rate" is calculated by dividing the amount of aid allocated to each local unit by the total assessed value of all eligible parcels. This negative rate is then applied to the assessed value of each parcel, and the amount deducted on the property tax bill in a way similar to the way Senior Citizen and Veterans tax deductions are deducted from the total taxes due on the property. If the amount of the credit is less than a fixed threshold (at this time, less than \$1.00, but this may be changed), the balance will be a tax levy deduction to the local unit.

Eligible parcels under the program are those that are the principal residence of the owner. This excludes properties that are investment or vacation homes. Thus, identification of these property owners is a critical element of the program. In addition, all residential rental properties that meet the definitions of a qualifying property under the Tenant Property Tax Rebate Law (generally those parcels that have five or more rental units) are eligible for tax relief as well. Rebates for these units will be received by tenants through the Tenant Property Tax Rebate Program.

As a new program that must be in place to provide property tax relief on tax bills this year, the Division of Local Government Services, the Division of Taxation, and Department of Education are working hard to bring together all elements of this new type of property tax relief. Many program details are still being determined, but while that takes place, it is important to identify those local units that will be eligible to participate in the program in 2000. The technical details of this requirement follow at the end of this Notice.

For the moment, any municipality that thinks it has shared service(s) that qualify for the program must complete the attached form and **return it to the REAP Office by February 25th**. **Filing this form is not a commitment to participate, but must be filed in order to participate.** A detailed application form will be sent out to all local units that qualify after this form is reviewed. This form will also trigger information that will be sent to Tax Assessor's with information on those parcels to survey to determine eligibility.

New Jersey REDI/REAP Office

101 South Broad Street P.O. Box 803 Trenton, New Jersey 08625-0803

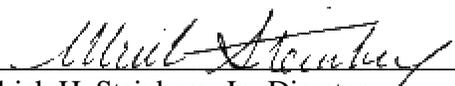
Voice: 609-984-7764 Fax: 609-984-7388 E-mail: redi@dca.state.nj.us

<http://www.state.nj.us/redi>

Information is not required from Boards of Education as the Department of Education already has information regarding school shared services.

To summarize, if your local unit has entered into a new shared service program since July 1, 1997, you may be eligible for property tax relief under REAP. In order to participate, the enclosed form must be completed by the local unit's Chief Executive (Mayor, Manager, County Executive, Freeholder Director, Commission President, etc.), and returned to the REAP office by **February 25th**. Filing the form does not require participation, it only determines eligibility.

Questions concerning this program can be referred to the REAP Office at 609-984-7764.



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

Distribution: Municipal, County, and Fire District Chief Executive Officers and Clerks

Technical Detail – Identification of Eligible Parcels

The eligibility of single family parcels under REAP is the same as that in the NJ SAVER property tax relief program (where a rebate check is sent to property owners). To use this information, the Division of Taxation is modifying the MOD IV property tax program used by all municipalities to identify those parcels that participate in the SAVER program. However, because of the difference of time of when SAVER data was collected and REAP program requirements, it will be necessary for local tax assessors to identify residential parcels not identified through the SAVER program.

The Division of Taxation will provide information on those parcels that are eligible as of a given date, it will be up to assessors to survey those parcels whose ownership changed or did not file for NJ SAVER. Once a local unit qualifies for the program, assessors will be provided additional information (including forms) on how to conduct a simple mail survey. A model survey form will be provided and instructions on updating MOD IV will be provided as well.

Regional Efficiency Aid Program Intent to Apply for Aid Application

I. Name of Local Unit: _____

Type of Unit (check appropriate box):

Municipality Fire District County

Address: _____

Title of Chief Executive Officer: _____

Name of Chief Executive Officer: _____

The Chief Executive Officer may name a individual to receive communication from the REAP Office on their behalf. If you wish to do so, name the individual here:

Name of Designee: _____

Title: _____

Contact Information for Chief Executive Officer or Designee:

Telephone: _____ Fax: _____

E-Mail: _____

I hereby certify that the information on this Intent to Apply for Aid Application is to the best of my knowledge accurate, and acknowledge that its submission does not bind the local unit to submit additional information or to participate in the REAP program.

Name of CEO or Designee: _____

Signature: _____

Date: _____

Return this form by February 25th to: N.J. REAP Program
101 South Broad Street
PO Box 803
Trenton, New Jersey 08625-0803
Fax: 609-984-7388

APPLICATION CONTINUED ON BACK OF PAGE

