

LOCAL FINANCE NOTICE

JAMES E. MCGREEVEY
GOVERNOR

SUSAN BASS LEVIN
COMMISSIONER

MATTHEW U. WATKINS
DIRECTOR

State Fiscal Year 2004 Municipal Budget CAP INDEX RATE

Pursuant to N.J.S.A. 40A: 4-45.1a, the Director of the Division of Local Government Services must promulgate the index rate applicable to municipal budget CAP.

Based on the Implicit Price Deflator for State and Local Government, calculated by the United State's Department of Commerce, Bureau of Economic Analysis, the index rate for SFY 2004 is two percent (2%).

A municipality, by ordinance, may increase the aforementioned percentage up to five percent under the provisions set forth in N.J.S.A. 40A: 4-45.14(b). The procedure for utilizing this option and model ordinance are attached to this notice.

If you have any questions regarding this determination, please call the Bureau of Financial Regulation and Assistance at (609) 292-4806 or by email at dlgs@dca.state.nj.us.



Matthew U. Watkins, Director
Division of Local Government Services

Distribution: State Fiscal Year Municipal Chief Financial Officers via GovConnect