

LFN 2012-15

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Local Finance Notice

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Chief Financial Officer

CY 2012/SFY 2013 STATE AID RECAPITULATION AND PAYMENT SCHEDULES

The adopted Fiscal Year 2013 State Budget maintained formula aid program appropriations. This Local Finance Notice summarizes the aid payment program for CY 2012 and SFY 2013 budgets.

The aid breakdown and amounts for each payment cycle are posted on the [Division of Local Government Services' website](#). **Please do not discard the Aid Recapitulation form; keep it available for use during the year.**

Please read this Notice carefully before calling the Division with questions. You will find that answers for many questions are covered here. If you still have questions after reviewing this Notice, please call us at (609) 292-4806.

Energy Tax Receipts and CMPTRA Modifications

The adopted Fiscal Year 2013 State Budget **did not** change the original aid certifications for Energy Tax Receipts (ETR) or CMPTRA that were based on the introduced budget. The net amount shown in the Recapitulation form reflects all formula elements: the decrease in CMPTRA offset by any increases in ETR and any Qualified Bond offset for municipalities participating in that program.

The CY 2012 Supplemental Energy Tax Receipts payment was paid on July 16, 2012; the SFY 2013 payment will be made June 21, 2013. SFY municipalities receiving these funds for SFY 2012 were paid on June 22, 2012.

Other Programs

- 1) Municipalities receiving aid under the Watershed Moratorium Offset Aid program will receive those funds as part of the October 1 aid payment.
- 2) Payments in lieu of taxes from the Open Space PILOT (formerly Garden State Trust) program are paid in advance of the fiscal year in which they are realized. The payment received in the fall of 2011 was to be reserved for use in CY 2012 budgets and anticipated in SFY 2012 budgets.

The payment made in the fall of 2012 is to be reserved and held for use in CY 2013 budgets, and anticipated or realized in SFY 2013 budgets. The payment in the certification is the amount that will be disbursed this October.

3) The payment date for the Senior Citizens and Veterans Tax Deductions is November 1 (a separate notification will identify the amounts and breakdown).

4) Municipalities that received REAP funding in SFY 2010 are, subject to approval of the Director, permitted to use a portion of its CMPTRA allocation as it would have used REAP funds as residential property tax credits. Municipalities desiring to use this approach should contact the Bureau of Financial Regulation and Assistance for direction.

5) The Transitional Aid program payments for CY 2012 (see Local Finance Notice [2011-39](#)) will be made in accordance with and subject to the Memorandum of Understanding that is required as part of that program.

If your municipality receives any unexpected payments, you can utilize the GovConnect Vendor Payment Inquiry system to determine the source of State payments. If you have questions on how to use VPI, please contact the GovConnect help desk at egg@dca.state.nj.us or at 609-973-4724.

Payment Schedules

The CMPTRA and ETR aid installment payment schedules are unchanged for Calendar Year municipalities. The final 5% payment is subject to adjustment based on the municipality's compliance with the Best Practices Inventory (guidance concerning the next Best Practices Inventory will be released soon through a Local Finance Notice). The State Budget requires program compliance in order for the final 5% payment (or portion thereof) of CMPTRA/ETR to be released.

State Fiscal Year municipalities will receive their final payments for these programs on June 3, 2013, following submission of their Best Practice Inventory on April 1, 2013. CY and TY 2012 municipalities will receive their last payment in December, adjusted as required based on their inventory responses. CY 2012 Best Practice Inventory worksheets are due at the Division on or before September 28, 2012.

The following schedule details direct deposit dates for ACH payments:

Statutory Payment Date	Percent of Aid	ACH Deposit Date
August 1	45%	<i>August 1</i>
September 1	30%	<i>September 4</i>
October 1	15%	<i>October 1</i>
November 1	5%	<i>November 1</i>
December 1 (CY & TY)	5%*	<i>December 3</i>
June 3 (SFY)	5%*	<i>June 3</i>

* Subject to any Best Practice adjustment

To recap the single payment schedule:

- Watershed Moratorium and Open Space PILOT (Garden State Trust) on October 1.
- Calendar Year Transitional Aid will be disbursed pursuant to the Memorandum of Understanding that each recipient will execute.
- Senior Citizens/Veterans Property Tax Deductions are paid in the November payment.

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.

Approved: Tom Neff, Director

Table of Web Links

Page	Shortcut text	Internet Address
1	Division website	http://www.nj.gov/dca/divisions/dlgs/resources/fiscal_rpts.shtml
2	Local Finance Notice 2011-39	http://www.state.nj.us/dca/divisions/dlgs/lfns/11/2011-39.doc