



LFN 2022-13

July 7, 2022

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Distribution

County CFOs
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Local Finance Notice

Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
Commissioner

Jacquelyn A. Suárez
Director

CY 2022/SFY 2023 State Aid Certification - Reissue

On June 30, 2022, Governor Phil Murphy signed the FY 2023 budget to the State Legislature. Under this budget, municipalities receiving Garden State Trust aid will receive less Garden State Trust Aid in support of their CY 2022 or FY 2023 budgets than they received in support of their prior year budgets.

Budget Certification

The State Fiscal Year 2023 budget provides level aggregate funding to most municipalities for Consolidated Municipal Property Tax Relief Aid (CMPTRA), Energy Tax Receipts Aid (ETR), and Watershed Moratorium Offset Aid. It also provides additional funding through the new Municipal Relief Fund.

The CY 2022/SFY 2023 Aid Certification for each municipality will be posted on the Division's website under the Information Resources/Municipal State Aid heading **by Wednesday, July 6, 2022**. The certifications will be available on an Excel form for which individual schedules can be generated by selecting a municipality. Local officials must obtain their certifications from the website; they are not mailed.

The certifications will document the aid allocations for each municipality, and are used in preparing the revenue section of CY 2022 budgets. A spreadsheet of all CY 2022 and SFY 2023 budgeted allocations is also on the website.

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 aid allocated to fire districts under the old Supplemental Fire Services Program, in addition to the traditional split of BPP amounts between the municipality and school. All CY 2022 budgets must reflect the certified aid.

The basis for the original 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 2022 Supplemental Energy Tax Receipts recipients will receive that payment on or about July 15. SFY 2023 municipalities receiving the Supplemental payment will receive their payment in mid-June 2023.

Municipal Relief Fund Aid

Aid certifications have been adjusted to include the Municipal Relief Fund. The adopted budget places the FY 2023 appropriation at \$75 million. Municipalities with adopted budgets are to establish a reserve for the revenue received and not anticipated in the CY 2022 budget. In this instance, the revenue should be anticipated in the CY 2023 budget. Municipalities that have not yet adopted budgets may choose to anticipate this revenue by amendment before adoption for CY 2022 but are not required to include in the CY 2022 budget. If not included in the CY 2022 budget, then a reserve shall be established, and the revenue anticipated in the CY 2023 budget.

Watershed Moratorium Offset Aid

The adopted budget keeps the FY 2023 appropriation for Watershed Moratorium Offset Aid at the FY 2022 appropriation of \$2.218 million.

Garden State Trust Aid

The adopted budget reduces the FY 2023 appropriation for Garden State Trust Aid to the FY 2021 level of \$6.483 million. The 54.1% increase received in FY 2022 will not be received in FY 2023.

Payment Schedule

A final aid payment schedule will be provided in July, prior to the August 1 payment. Payments to most municipalities are made electronically through the Automated Clearing House payment system. 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.

Approved: Jacquelyn A. Suárez, Director

Table of Web Links

Page	Shortcut text	Internet Address
1	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/lfn/pre_98/cfo-1997-6.pdf
2	Credit Authorization Agreement for Automatic Deposits form	http://www.state.nj.us/treasury/omb/forms/index.shtml