

CFO 99-4

Notice Number

New Jersey Department of Community Affairs
Division of Local Government Services

7/13/99

Date

LOCAL FINANCE NOTICE

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GOVERNOR

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DIRECTOR

CY 1999/FY 2000 STATE AID RECAPITULATION AND PAYMENT SCHEDULES

The State's Fiscal Year 2000 budget continues most State aid payment practices from previous years. The "installment aid" payment system is continued unchanged. The municipality's aid breakdown and amounts for each payment cycle are detailed on the enclosed "CY 1999/FY 2000 Aid Recapitulation and Payment Schedule" (Recap Form). **Do not discard the form; keep it available for use during the year.** The balance of this Notice outlines the programs and highlights those that have been modified.

Please read this Notice carefully before calling the Division with questions. Answers to many questions are fully covered in the text. If you do have questions, call us at (609)292-4806.

For State Fiscal Year municipalities, the Recap Form compliments the Aid Certification the Division will shortly issue (CFO 99-5). It contains the full allocation for each program that is to be anticipated in the municipal budget. Because actual amounts are known, there is no need for any State fiscal year revenue to be reserved. SFY Supplemental Municipal Property Tax Relief-Discretionary Aid allocations will be made prior to budget adoptions.

ENERGY RECEIPTS TAX

As enacted in 1997, the Energy Receipts Tax payment replaces the Gross Receipts and Franchise Tax program. No changes were made from the amounts anticipated in CY 1999 budgets, and payment is made over the remaining six months of the year. The Recap Form shows the payment schedule for the municipality. Municipalities that qualify for Supplemental Energy Receipts Tax funding received their FY 1999 payment on June 28. State fiscal year municipalities must anticipate the full amount in their FY 2000 budget.

CONSOLIDATED MUNICIPAL PROPERTY TAX RELIEF AID (CMPTRA)

The State budget increased the CMPTRA payment by the cap inflator rate, or 1.5%. For most municipalities, the increase was based on the net CMPTRA amount (after pension deduction). As in past years, the Recap Form shows the initial CMPTRA allocation, the inflation amount, and the adjustment for pension reduction, as well as any Qualified Bond offset for those municipalities that participate in that program. If the adjustments for pension reduction or qualified bonds results in a negative payment amount, no CMPTRA payment is made; these municipalities also received their inflation increase on the pre-pension deduction CMPTRA amount. The resulting negative balance is applied as a reduction to Energy Receipts Tax revenue. This calculation is shown on the Recap Form. Payments will be made pursuant to the installment aid payment schedule detailed below.

Director's Office
(609) 292-6613

Local Government
Research
(609) 292-6110

Financial Regulation
and Assistance
(609) 292-4806

Local Finance
Board
(609) 292-0479

Local Management
Services
(609) 292-7842

Authority Regulation
(609) 984-0132

Fax
(609) 984-7388

LEGISLATIVE INITIATIVE MUNICIPAL BLOCK GRANT

The amount for this program remains unchanged and will be paid in a single payment on September 1.

SPECIAL LEGISLATIVE AID AND GRANTS

Where the State budget provides for Special Legislative Aid (Pinelands and Palisades Parkland), the amount of the aid is shown on the Recap Form and will be paid in a single payment on October 1. In both cases, if the aid was not anticipated in the CY 1999 budget, the revenue must be reserved and anticipated in the CY2000 budget as State Aid. Watershed Aid was not included in the FY 2000 budget, but, legislation authorizing the program is awaiting approval of the Governor. Upon enactment, eligible municipalities will be notified of their allocation and payment timing.

Municipalities that received Special Legislative Grants in the FY 2000 budget will receive formal notification of the grant by the end of the summer. Instructions will be provided at that time regarding bringing them into the budget. Please do not call the Division regarding these grants, as they take several weeks to go through the Department's grant notification process. These grants are not shown on the Recap Form.

PAYMENT SCHEDULE

Aid payment schedules are unchanged. The following schedule details direct deposit dates for ACH payments. The installment payment program includes the Consolidated Municipal Property Tax Relief Aid and Energy Receipts Tax programs:

Statutory Payment Date	Percent of Aid	ACH Deposit Date
July 15	35%	<i>July 15</i>
August 1	10%	<i>August 2</i>
September 1	30%	<i>September 1</i>
October 1	15%	<i>October 1</i>
November 1	5%	<i>November 1</i>
December 1	5%	<i>December 1</i>

The September 1 payment will include the **Legislative Initiative Municipal Block Grant** payment. **Supplemental Municipal Property Tax Relief-Discretionary** payments are expected to be made as part of the October 1 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.

OTHER AID PAYMENTS

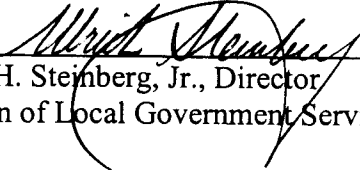
To assist CFO's in recognizing ACH based payments from other State programs, ACH payment dates for the following programs are provided here and on the Recap Form.

Senior Citizens and Veterans Tax Deductions — November 1
Green Acres Payment in Lieu of Taxation (PILOT) —
 Quarterly on the first of the month when property taxes are due

In addition, many municipalities receive ACH payments from the Division of Fire Safety (quarterly payments to municipalities based on license fees), and the Department of Law and Public Safety (Safe & Secure Communities grant payments). These payments are not scheduled and we cannot estimate when ACH payments will be made. If the municipality receives unexpected payments, it will often be one of these programs, and the CFO should inquire with local program personnel to see if they can verify if a payment is due. If not, please call the Division at 609-984-2132 and we will attempt to track down the payment.

Also enclosed with this Notice (on the back of this page) is a copy of the revised Local Finance Board application distribution list. Local units making application to the Board should utilize this list for distribution of applications until further notice.

Thank you for your attention to these issues.



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

Distribution: Chief Financial Officers
Enclosures