

Notice Number

Date

LOCAL FINANCE NOTICECHRISTINE TODD WHITMAN
GOVERNORJANE M. KENNY
COMMISSIONERULRICH H. STEINBERG, JR.
DIRECTOR**Status of Proposed "Bell Atlantic Valuation Change" Aid Proposal
And State Fiscal Year Tax Bills**

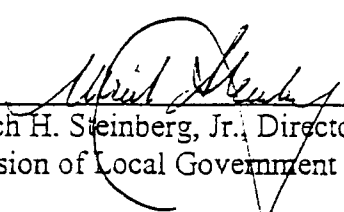
As many of you are aware, this past October, Bell Atlantic recently changed its method of calculating depreciation of its taxable telecommunications property. Since that time, the Governor's Office, the Treasurer's Office, the Division of Taxation, the Department of Community Affairs and the League of Municipalities have been reviewing proposals to address financial shortfalls in revenue.

As of December 1, the parties continue to work on the issue however, a resolution has not been reached. It is at this time that a State Fiscal Year municipality must begin the process of calculating the tax levy to be raised for the first and second installment billings in 2000. Compliance with the statute for calculating the tax levy pursuant to N.J.S.A. 54:4-66.1 et seq. requires that an adjustment be made to reflect known changes in assessed values to avoid tax levy "spiking" between the first and second half of the year.

State law provides that if tax bills cannot be sent out by the statutory due date, bills can be sent out late so long as taxpayers are given 25 calendar days from the time the bills are mailed to make their payment. For those municipalities that permit a 10-day grace period, bills will have to be mailed no later than January 15. For those without a grace period, bills have to be mailed by January 5. Time for printing and preparing bills for mailing must also be taken into account.

State fiscal year municipalities are urged to delay their final calculation of the tax levy until the parties can complete the negotiation process. We expect that will happen in sufficient time for levies to be struck, bills to be prepared and mailed. We do not expect that estimated and reconciling tax bills will be needed. Given the circumstances, a resolution of the governing body shall not be required to authorize this delay.

Please share this information with the appropriate officials in your community.



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

Distribution: State Fiscal Year Chief Financial Officers

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