

Notice Number

Date

**LOCAL FINANCE NOTICE**DONALD T. DIFRANCESCO  
STEINBERG, JR.

JANE M. KENNY    ULRICH H.

**CY 2001 Statement of State Aid and REAP Program Update**

Enclosed with this Local Finance Notice is your municipality's Statement of State Aid, the content of which is to be provided to your property taxpayers. As in the past, the Statement may be printed on your municipality's property tax bill, or be reproduced and included as an insert with the tax bill sent to property owners. Local Finance Notices 92-11 and CTC-95-1 have additional background information on the process. The Statement is required, pursuant to N.J.S.A. 54:4-65.

**REAP Program Information**

The Statement includes information regarding aid property taxpayers receive through the Regional Efficiency Aid Program (REAP). The REAP statement is required pursuant to N.J.S.A. 54:4-8.79(i). If your municipality does not participate in the program, your statement must show a \$0 amount for school and municipal REAP aid. Starting with 2001, REAP aid now includes relevant amounts for County provided programs.

A municipality had to file an application with the Division several months ago to participate in the REAP program. These applications were reviewed and those eligible programs were included in the program. Those municipalities received a separate notice advising them of their grant awards. Additional information on the REAP program was provided to tax collectors last year in Local Finance Notice CTC 2000-2.

In participating municipalities, tax assessors had to combine State data with locally determined information to identify those residential parcels that are eligible for the program. In most cases, this involved the assessor mailing a survey to certain parcels identified by the MOD IV system. This information is used to determine the valuation on which the REAP aid is allocated. Thus, these surveys must have been returned by the time the County Board of Taxation strikes the tax rates for the municipality so their REAP tax rate credit will be as accurate as possible.

The Division recognizes that the timing of the program this year may result in municipalities that qualify for REAP aid, choosing to withdraw from the program. Under these circumstances, the \$0 amount **may** be replaced with an \* if an explanation is provided with the tax bill (on the bill or in an enclosure) indicating that while the municipality or school qualified for aid, "under the circumstances" (insert the reason for not accepting it) the municipality did not accept the aid.

We are aware that residents may have questions with regard to the REAP program and their municipality's participation in it. Local officials are urged to answer those questions. To assist in this we have enclosed a "Frequently Asked Questions" sheet about the REAP program with questions targeted to those most likely asked by the public. Please share this with other local officials and endeavor to respond to these questions.

Director's Office  
(609) 292-6613Local Government  
Research  
(609) 292-6110Financial Regulation  
and Assistance  
(609) 292-4806Local Finance  
Board  
(609) 292-0479Local Management  
Services  
(609) 292-7842Authority Regulation  
(609) 984-0132Fax  
(609) 984-7388

Tax collectors are also reminded that REAP aid also goes to Class 4C (apartment) parcels. The REAP aid will appear on Tenant Property Tax Rebate notices and will have to be rebated by landlords to their tenants.

### Statement of State Aid

With regard to the Statement of State Aid, the formula for calculating the amount of municipal aid on the Statement includes the following programs:

Programs included in the Municipal Government amount are:

- Consolidated Municipal Property Tax Relief Aid (whole amount prior to pension savings reduction).
- Energy Receipts Tax — all payments
- Legislative Initiative Municipal Block Grant
- Extraordinary Aid
- Distressed Cities Aid
- Watershed Moratorium Offset Aid
- Garden State Trust Payment in Lieu of Taxes

The Local and Regional School District line includes:


- Department of Education allocation of State aid funds. Regional district aid is apportioned on the same basis as property taxes for the district. It also includes estimates of the State's payment for local pension and social security costs and Type1 and Type 2 debt service aid (even though actually paid to the municipality).

The County portion includes:

- CY 2001 estimated cost savings from the State program assuming of certain human service costs, which took effect in 1991.
- CY 2001 State resources utilized in the assumption of county court costs.
- Apportionment of State education aid provided to County Special Services and Vocational Education Districts (including pension, social security costs, and debt service aid).

A certification must be completed by the tax collector and sent to the Division regarding mailing of the Statement of State Aid. The certification is on the bottom of the enclosed Statement.

If your Statement is needed for reproduction and was damaged in transit or otherwise unusable, please call the Division at (609) 292-4806 for a replacement. Please share this notice and the form with your Chief Financial Officer.

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

Distribution: Calendar Year Tax Collectors (Collectors to distribute to Chief Financial Officers)  
County Tax Board Administrators