



LFN 2023-12

July 13, 2023

Local Finance Notice

Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
Commissioner

Jacquelyn A. Suárez
Director

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CY 2023/SFY 2024 State Aid Certification - Reissue

The CY 2023/SFY 2024 State Aid Certification documenting aid allocations for each municipality is available on the Division of Local Government Services' [Municipal State Aid webpage](#). The Certification is used in preparing the revenue section of the CY 2023 and SFY 2024 municipal budget.

[State Aid Certifications](#) for each municipality are generated on an Excel form and are only available online. The Municipal State Aid webpage also features [multipurpose table](#) of all CY 2023 and SFY 2024 State Aid allocations.

State Aid Increase to Each Municipality

Signed by Governor Murphy on June 30, 2023, the FY 2024 State Budget increases Energy Tax Receipts Aid (ETR) by \$9.9 million for CY 2023/SFY 2024 municipal budgets and converts the entirety of Consolidated Municipal Property Tax Relief Aid (CMPTRA) into ETR. For each municipality, this equates to a 0.7 percent increase over the combined CMPTRA and ETR Aid for CY 2022/SFY 2023 municipal budgets. State Aid that was formerly in the CMPTRA category is now folded into the ETR category.

State Aid certifications for CY 2023/SFY 2024 municipal budgets reflect the prior year's allocation for CMPTRA and ETR and the current year's allocation for ETR. The certifications also incorporate Business Personal Property (BPP) adjustments for those with BPP distribution responsibilities (including the traditional split of BPP amounts between the municipality and their school district) and, where applicable, aid allocated to fire districts under the old Supplemental Fire Services Program. All CY 2023 and SFY 2024 budgets must reflect the certified aid amounts.

Distribution

Municipal & County CFOs

Administrators/Managers

Municipal Clerks

The basis for the original ETR program is 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 2023 Supplemental ETR recipients will receive that payment on or about July 15 with SFY 2024 recipients receiving the Supplemental payment in mid-June 2024.

Municipal Relief Fund - Aid Increase

The FY 2024 State Budget doubles the amount of Municipal Relief Fund aid to \$150 million versus the prior year. Calendar Year municipalities having already adopted their CY 2023 budgets are to establish a reserve for the Municipal Relief Fund Aid revenue received and not anticipated in the CY 2023 budget - in this instance the revenue should be anticipated in the CY 2024 budget. Calendar Year municipalities that have not yet adopted their budgets should anticipate the Municipal Relief Fund Aid revenue by amendment before adoption for CY 2023.

Garden State Trust Aid and Watershed Moratorium Offset Aid

The FY 2024 State Budget increases Garden State Trust Aid to \$7.983 million, resulting in a 23 percent increase for each recipient municipality. Watershed Moratorium Offset Aid remains level at \$2.218 million.

Payment Schedule

A final aid payment schedule will be provided prior to the August 1st payment. Payments to most municipalities are made electronically through the Automated Clearing House (ACH) payment system. Any changes in the municipality's depository bank must be reported to the State Department of Treasury as soon as possible for entry into 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's [forms webpage](#).

Approved: Jacquelyn A. Suárez, Director

Document	Internet Address
State Aid Webpage	https://www.nj.gov/dca/divisions/dlgs/resources/muni_stateaid.html
CY 2023/SFY 2024 Aid Certifications	https://www.nj.gov/dca/divisions/dlgs/resources/muni_st_docs/2023_data/aidcert2324.xlsx
State Aid Multipurpose Table	https://www.nj.gov/dca/divisions/dlgs/resources/stateaidinfo.shtml
LFN MC 97-6	https://www.nj.gov/dca/divisions/dlgs/lfns/pre_98/mc-1997-6.pdf
ACH Auth. Form	https://www.nj.gov/treasury/omb/pdf/forms/achform.pdf
NJ OMB Forms	https://www.nj.gov/treasury/omb/forms.shtml