



State of New Jersey
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Commissioner

MEMORANDUM

TO: Municipal and County Chief Financial Officers
Municipal Clerks
Municipal Tax Collectors
County Tax Administrators

FROM: Thomas H. Neff, Director 
Division of Local Government Services

DATE: July 13, 2011

SUBJECT: State of CY 2011 Property Tax Bills and Statements of State Aid

With final action on the State's FY 2012 budget taken on July 12, 2011, an additional \$150 million of school aid was made available to non-Abbott school districts. Because property tax rates have not yet been certified by county boards of taxation, this aid allows boards of education in these communities to reconsider their FY 2011-2012 budgets and reduce their property tax levies by recognizing the new aid as revenue in their budgets.

The availability of additional aid that can reduce school tax levies will result in delay of the Statements of State Aid that are required to be included with the issuance of final CY 2011 property tax bills. This will have an immediate impact on those municipalities that have not issued third quarter estimated property tax bills. This notice provides guidance to these municipalities.

Boards of education are being advised today that they have until 4 pm on Tuesday, July 19 to make final decisions concerning their tax levy. At that time, the Department of Education and the Division of Local Government Services will work to release all Statements of State Aid by July 21 so county tax boards can certify tax rates, and printing of property tax bills can start. Regrettably, the process does not allow the agencies to prepare certificates for individual municipalities one-at-a-time, they must be done all at once.

The cash flow needs include payments to the county government, boards of education, and any other local taxing districts. N.J.S.A. 54:4-74 (counties) and 54:4-75 (schools) allows tax payments to be deferred until after 25 days from the time tax bills are mailed, or no later than September 15 for counties and September 1 for schools. Officials in these agencies are asked to work with each other to review cash flow needs and, where possible, modify existing payment schedules to accommodate the restricted cash flow of the municipality.



In the event a municipality faces a short-term cash flow issue it has several options available to them, depending on their fiscal status and cash flow needs: 1) immediately issue estimated third quarter property tax bills to provide faster cash flow and increased flexibility; 2) issue tax anticipation notes; 3) carefully review their cash flow needs and resources, projecting property tax receipts once tax bills are issued and revenue flow begins, and manage their cash flow accordingly.

Thank you for your attention to this information.

TN/mp

c: Division of Taxation
Department of Education