

L 514
1983c

PUBLIC HEARING

before

SENATE STATE GOVERNMENT, FEDERAL AND INTERSTATE
RELATIONS AND VETERANS' AFFAIRS COMMITTEE

on

SCR-53

(INITIATIVE AND REFERENDUM)

Held:
June 16, 1983
Room 316
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Wynona M. Lipman (Chairwoman)
Senator Herman T. Costello (Vice Chairman)
Senator Gerald Cardinale

ALSO PRESENT:

Joseph P. Capalbo, Research Associate
Office of Legislative Services
Aide, Senate State Government, Federal
and Interstate Relations and Veterans'
Affairs Committee

New Jersey State Library

L 514
10/1/83

PUBLIC HEARING

before

**SENATE STATE GOVERNMENT, FEDERAL AND INTERSTATE
RELATIONS AND VETERANS' AFFAIRS COMMITTEE**

on

SCR-53

(INITIATIVE AND REFERENDUM)

Held:
June 16, 1983
Room 316
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

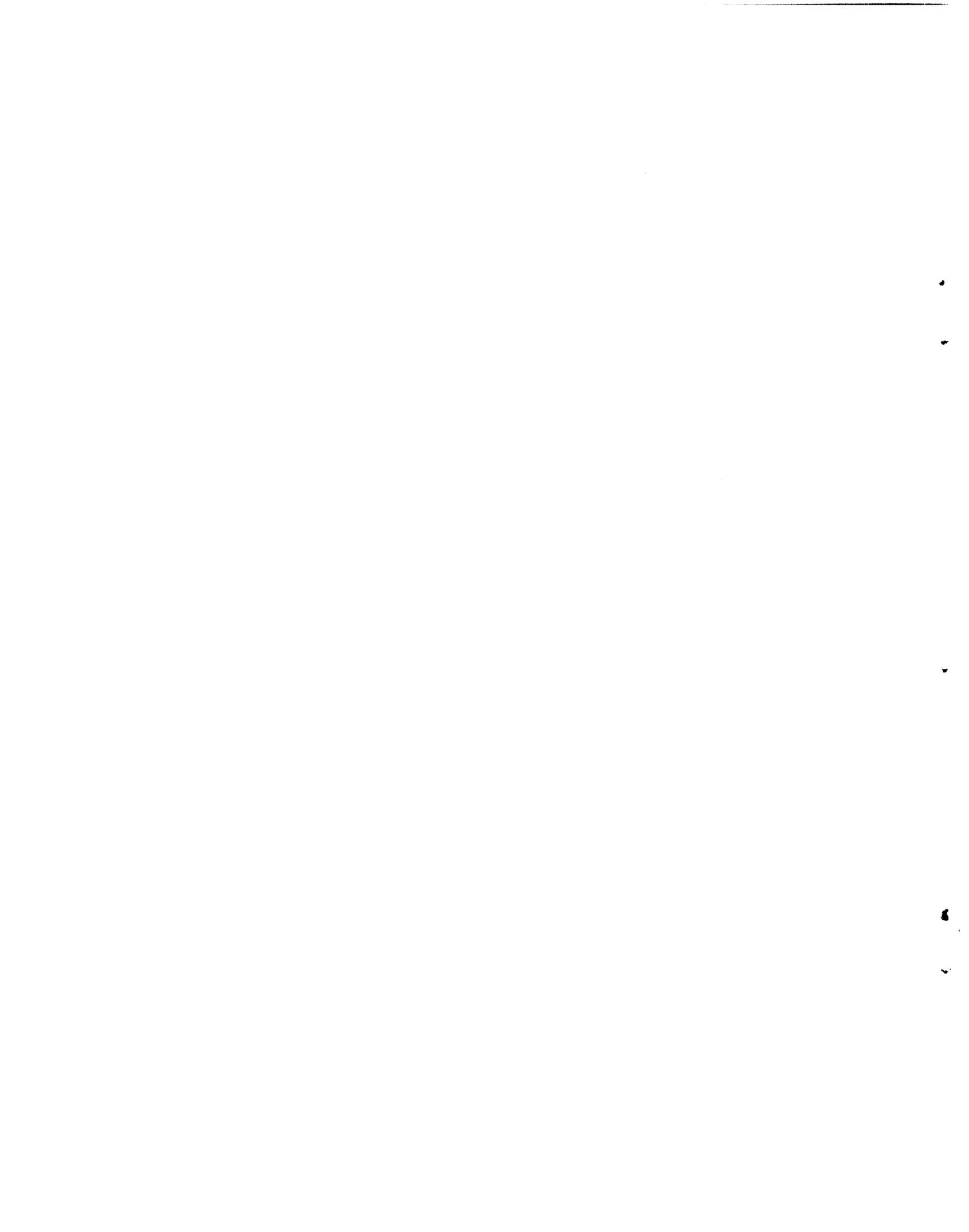
Senator Wynona M. Lipman (Chairwoman)
Senator Herman T. Costello (Vice Chairman)
Senator Gerald Cardinale

ALSO PRESENT:

Joseph P. Capalbo, Research Associate
Office of Legislative Services
Aide, Senate State Government, Federal
and Interstate Relations and Veterans'
Affairs Committee

New Jersey State Library

* * * * *



I N D E X

	<u>Page</u>
Charles A. Lehman New Jersey Coordinating Council of Organized Older Citizens	2
David Lloyd Vice President New Jersey Business and Industry Association	5
Albert J. Reid Keansburg Civic Association	8
Charles Marciante New Jersey State AFL-CIO	12
Mildred Boyson Asbury Park Taxpayers' Association	14
Assemblyman Richard A. Zimmer District 23	15
Samuel Perelli United Taxpayers of New Jersey	16
Larry Haverly TAXPAC	17
Bernadine Silver Federation of New Jersey Taxpayers and Sussex-Wantage Taxpayers	18
Marion Kaufman United Taxpayers of New Jersey in Morris County	20
Joseph F. Shanahan Hunterdon County Taxpayers' Association	20 & 1x
Frank R. Intelisano Executive Officer New Jersey Federation of Senior Citizens	21
Wayne Dibofsky Associate Director New Jersey Education Association	21
Lorraine Niemela New Jersey Common Cause	24

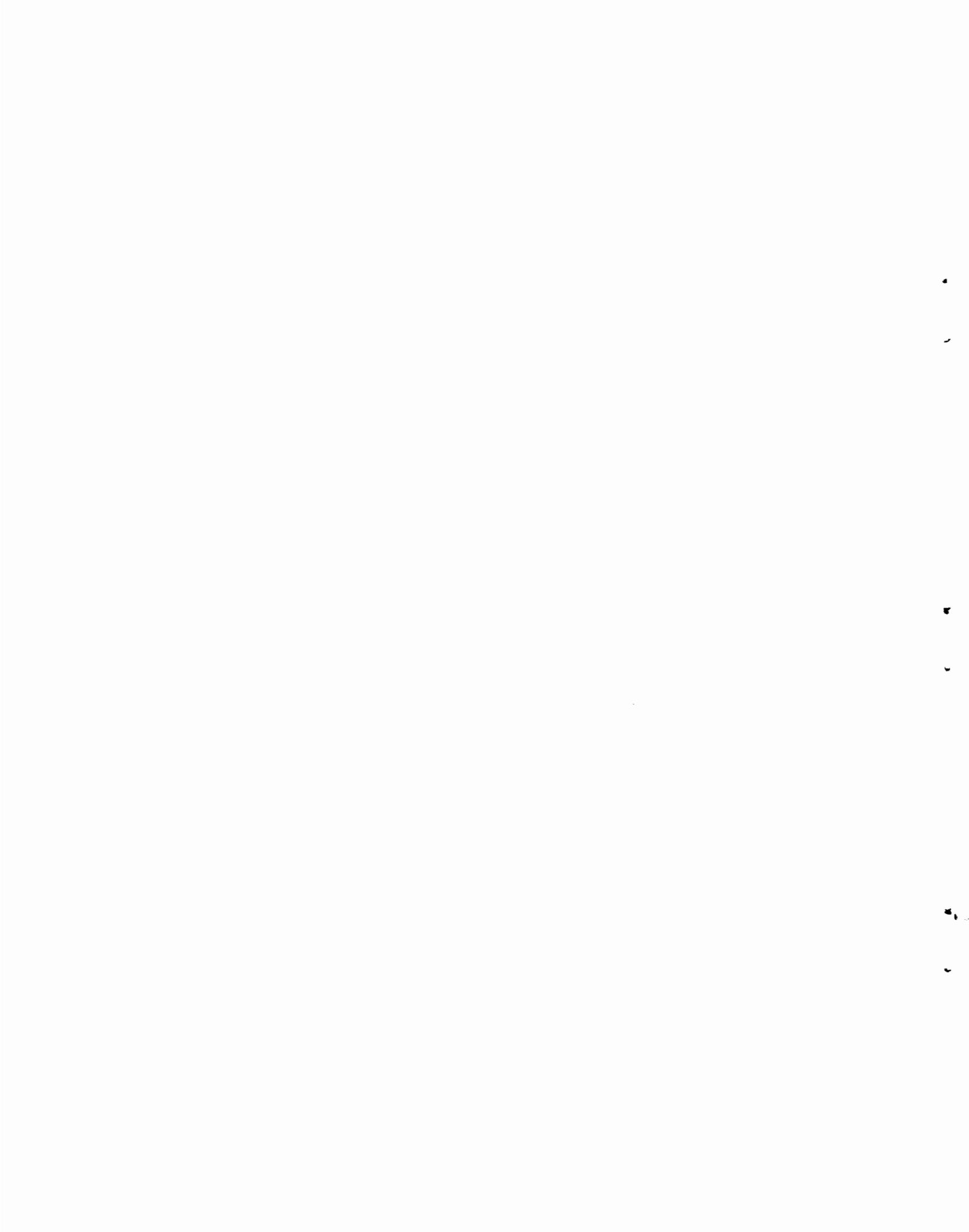
INDEX (Continued)

	<u>Page</u>
Michele Hoffman Legislative Analyst New Jersey State Chamber of Commerce	27
Carol Kurtz Government Director League of Women Voters of New Jersey	29
Ernest Lettieri Bayonne Taxpayers' Association	30
John Tomicki Associate Executive Director New Jersey Coalition of Concerned Parents	31
Mark Neimeiser Associate Director American Federation of State, County and Municipal Employees AFL-CIO	34
Pete Smith State President Fire Fighters' Association of New Jersey	38
Steve Rosenthal International Representative Communications Workers of America	38
Lee Pacifico Federation of New Jersey Taxpayers	38
Carl T. Buscher New Jersey Builders' Association	39
Joseph Long Acting President Federation of New Jersey Taxpayers	40
Anne Haberti Resident of Belleville, New Jersey	41
Mary E. Riley Resident of Bernards Township, New Jersey	42

INDEX (Continued)

	<u>Page</u>
Frank Haines New Jersey Taxpayers' Association, Inc.	44 & 2x
Eugene O'Brien United Taxpayers of New Jersey	48
Rose Monyek Resident of Rahway, New Jersey	52

mjz: 1-53



SENATOR HERMAN T. COSTELLO (Vice Chairman): Good morning. My name is Herman Costello. Senator Lipman will probably be late, and the other members of the Committee are attending other committee meetings. As a matter of fact, I am scheduled for another committee meeting, but someone has to be here and I do not object to that a bit. I kind of suspect I prefer to be here.

This hearing was called for a nine-thirty starting time, and I would like to honor that. We have presently at least ten or twelve people who have indicated they would like to testify. But, before we start to hear testimony, I have a brief statement which was prepared by Senator Lipman, and I would like to read that at this time.

We are here today to take public testimony on two concurrent resolutions, SCR-53, which proposes an amendment to the Constitution to establish initiative and referendum in the State, and SCR-133, which proposes an amendment to the Constitution to provide the Legislature with the power to disapprove administrative rules and regulations. This Committee has already received testimony on SCR-53 from the New Jersey Coordinating Council of Organized Older Citizens, Common Cause, and the League of Women Voters. Since there is a very busy schedule today, we hope the speakers will be brief, nonrepetitive and to the point.

I might add to that, if you have some prepared statements, hopefully you will submit those to our legislative staff member here, Joseph Capalbo. Joe, do you have anything to say at this time?

MR. CAPALBO: No, Senator, I do not.

SENATOR COSTELLO: When you come forward to testify, I believe the center seat is available. I will call the witnesses in the order in which they signed up. We have first, Mr. Charles A. Lehman, New Jersey Coordinating Council of Organized Older Citizens. Mr. Lehman, you testified before on this, didn't you?

MR. LEHMAN: Yes, back in February.

SENATOR COSTELLO: Well, okay.

MR. LEHMAN: I have some material I would like to make available to the Committee.

SENATOR COSTELLO: I want to point out, again, that because they are not here, is not an indication of lack of interest on the part of the Committee members. There are other committee meetings, and some of them are testifying on their own bills, and what have you.

C H A R L E S A. L E H M A N: First, I would like to congratulate the Senator on initiating this hearing so promptly. I have attended several of these hearings, and the last one I attended, I believe, was scheduled for ten o'clock. It was postponed until eleven, and we got underway at a quarter of twelve. This is certainly a step in the right direction, it seems to me, in promptly getting hearings of this nature underway.

We do have a prepared statement, and we appreciate you having this public hearing so we can offer our opinions. The New Jersey Coordinating Council was founded in 1973. Its purpose, as clearly stated in the name, is to coordinate the views of New Jersey senior citizens on matters of their concern, so that a single unified opinion as to how the problems may be solved can be presented to elected officials in order to minimize confusion among them and promote some commonality of purpose in support of, or opposition to, proposed legislation.

The Council is nonpartisan, nonsectarian and nondiscriminatory, recognizing the fact that older Americans are from all walks of life, and are of all different political persuasions, religious beliefs and national backgrounds.

This Council has supported proposed legislation dealing with initiative and referendum over the past several years, and has testified at public hearings on this legislation. In 1980, we testified and supported a bill, ACR-38, introduced at that time by Barbara Curran. We listened carefully to the testimony of others who were in support or in opposition to this type of legislation and, if my memory serves me well, there was little in the way of opposition to this type of legislation. But, it never quite made its way to a public referendum. However, we have never relinquished our interest in, or support of, an approach to legislation that would provide a more democratic approach to initiating legislation.

During 1980, there was great interest in this specific type of legislation, and a number of counties in the State of New Jersey included on their ballots a public question on the opinion of the people on initiative and referendum. These referendums were passed in every county in which they appeared on the ballot. As I recall, and perhaps Senator Costello can confirm the fact, in Burlington County, I believe the vote was something like two to one in favor of initiative and referendum. This certainly indicated the sentiments of the voters on this issue but, in spite of this public

support, the bill never survived the hazards of political roadblocks, and consequently never made its way to a State referendum.

The following is a statement contained in the Council's February 25, 1983 edition of our "Meeting Highlights," sent to our affiliate membership. "Initiative and Referendum: This is one of the major goals of the Council for 1983. Bills SCR-53 and S-520 are now being seriously considered by the Senate State Government, Federal and Interstate Relations and Veterans' Affairs Committee, and representatives of this Council testified in favor of these bills to this Committee on February 14, 1983. SCR-53 will, if passed by both the Senate and the Assembly, place a referendum on this year's ballot for the people to decide on whether or not they want the right to place referendums on the ballot, if the Legislature fails to act on certain beneficial legislation. S-520 is designed to implement SCR-53 if the people vote 'yes.' This legislation will establish proper controls over the methods and procedures of the people placing direct referendums.

"The Council has studied this legislation and is satisfied that there are proper safeguards to prevent any abuses of this privilege that are not in the best interest of the people of New Jersey. Thirty-six other states in our great nation have given this right to the people. We are confident the Committee members have carefully studied these legislative proposals and are familiar with the many safeguards inherent in this legislation, and we are certain that any questions the Committee might have will be resolved to the satisfaction of the Committee by others who will testify in support of this legislation. The Coordinating Council is appreciative of the opportunity to offer our opinions to the Committee at this public hearing."

Now, I have included in the material I presented to the legislative aide, an article which appeared in Monday's Philadelphia Inquirer. I would say that the information contained in that particular piece of literature would certainly indicate that we have anything but a democratic procedure. It indicates that the chairmen of the various committees exercise untold powers in controlling legislation. I think that initiative and referendum would help prevent criticism such as this, and I would consider it criticism because it negates any indication of a democratic process. When one man can control whether legislation is released or not from a committee for the vote of the entire Legislature, this seems to me to be antidemocratic.

I cannot validate the report; I am not familiar with the correspondent who made this report, but if it is true, I think an initiative and referendum bill would certainly help negate any of that type of influence.

Thank you very much for permitting the Coordinating Council to testify.

SENATOR COSTELLO: Mr. Lehman, we thank you. At the time you began your testimony, Senator Cardinale came in. I do not know if Senator Saxton will be here; Senator Bornheimer is chairing another meeting, and I can't tell you when or if he will be here.

MR. LEHMAN: I think I have given the legislative aide a sufficient number of copies of this material.

SENATOR COSTELLO: Okay. Senator Cardinale, do you have any questions for Mr. Lehman?

SENATOR CARDINALE: No, I don't, but just perhaps a comment that we have received a great deal of testimony previously with respect to this, and we appreciate all the testimony we have gotten in favor of it. I am sure we will get some that is opposed, but for the record, as much as for anything else, a recent poll in my own legislative district found the people over 90% in favor of this kind of legislation.

SENATOR COSTELLO: Mr. Lehman commented on Burlington County. I have known Mr. Lehman for quite a while now. His comment as to how it fared in Burlington County was somewhat correct. It did pass overwhelmingly there. Okay, Mr. Lehman, thank you very much. Are Mildred Boyson, Rita Marano and Lottie Kubaitis here from the Asbury Park Taxpayers' Association?

MS. BOYSON: We are here, but we would like to defer our time on the calendar to a later time in the hearing, if you gentlemen would agree to that.

SENATOR COSTELLO: All right. May I ask one question? At the time of your testimony, or prior to your testimony, will you indicate whether you are testifying on SCR-53 or SCR-133?

MS. BOYSON: I am Mildred Boyson.

SENATOR COSTELLO: And you want to testify on SCR-53, am I correct?

MS. BOYSON: You'll have to enlighten me; which one is that?

SENATOR COSTELLO: That is the one on initiative and referendum.

MS. BOYSON: Initiative and referendum, yes sir.

SENATOR COSTELLO: Okay. This meeting was called to accept testimony on two resolutions here, the other one being SCR-133. I kind of suspect most of you are here for I&R.

MS. BOYSON: We are here on the initiative and referendum bill. Thank you.

SENATOR COSTELLO: Is Albert Reid from the Keansburg Civic Association here?

MR. REID: I would like to defer my time until later in the hearing.

SENATOR COSTELLO: Mr. David Lloyd from the New Jersey Business and Industry Association.

D A V I D L L O Y D: Senator Costello, Senator Cardinale, members of the Committee, I am David Lloyd, Vice President of the New Jersey Business and Industry Association, speaking on behalf of the Association on Senate Concurrent Resolution 53.

The New Jersey Business and Industry Association is opposed to SCR-53. Although we do not favor the proposal, it is not difficult to understand why many persons find the proposed initiative and referendum procedures attractive.

Many citizens consider the legislative process to be a distant and alien activity. A large percentage of citizens do not vote, cannot name their legislators and feel that they lack access to the Legislature. They are often frustrated and distrustful of the failure of the Legislature to pursue what appear to be clear and simple "solutions" to the problems that concern them. They seek the means by which they can by-pass the ponderous and distant maneuverings in the Capitol which seem always to side-step straightforward solutions.

Most initiative and referendum procedures were adopted in the early 1900's. Characteristically, in that time of horse drawn vehicles, long before the advent of televised news and full-time State House press corps, most State legislative decisions were made behind closed doors. Neither paid lobbying activities nor political contributions were reported except when some scandal surfaced. Sunshine laws and open legislative committee meetings were an effort to restore government to the people. They were an attractive and perhaps even a necessary means of providing citizens with access to government and the means of defending against governmental abuses.

Less than two decades ago, New Jersey's legislative process still tended to insulate itself from the public's involvement. There were no announcements of legislative committee agendas; committees, which had no staffs, met in secret, behind closed doors. Decisions often hinged on the interests and dictates of a few powerful county political party chairmen.

Since then, however, much has happened to open up the political process. "One-man-one-vote" redistricting left county political parties weakened. Legislative committees, provided with professional staffs, began to take their work seriously. By providing printed agendas in advance, the public was encouraged to participate in committee deliberations. Public comment is invited.

Legislators now have local district offices manned by staffs. A toll free legislative information number is available to provide the public with copies of legislation and an update on legislative schedules and actions. Public television has brought discussion and debate of major issues into homes throughout New Jersey and, as the number of legislative session days has increased, the number of legislative correspondents and the amount of press coverage of the Legislature has grown accordingly. Nearly every group, whether conservationist, taxpayer, environmentalist, business, labor or gray power, has a lobbyist in Trenton to keep them abreast of the issues. The activity of lobbyists and their legislative expenditures are reported, as are campaign contributions.

It is fair to say, I think, that we have left behind the closed government of the 1960's and the distant government of the early 1900's. The problem today is not the public's access to its government; instead, it is the realization that the process is now open for true public involvement.

In this era of accessible government, initiative and referendum would focus public attention on the means of by-passing the Legislature just when we should be concentrating on getting citizens involved in the legislative and election processes. Instead of adopting initiative and referendum, which reinforce the notion that the legislative process is inaccessible, we should further improve public information on, and access to the Legislature. Now is not the time to walk away from representative government.

Initiative and referendum suffer from the same defects as the inaccessible legislative processes of the past. When the Legislature

considers proposed legislation today, that proposal can be refined and improved as it passes through the process of staff analysis, public input, committee discussion and floor debate in both houses of the Legislature. No draftsman, however skilled, can know the total impact which a proposed law will have upon a broad range of groups and interests. The current process of open legislative consideration is a refining process in which unintended consequences can be avoided by careful amendments, and by which language can be strengthened to better achieve a proposal's intended purpose.

The initiative and referendum process, however, generates law in a closed forum. There is no opportunity for a broad cross-section of affected groups and individuals to seek the refinement of a proposed law or constitutional amendment. Proposals are presented to the public in a "take it or leave it" form, which means they must be embraced or opposed as is, in their entirety.

We submit that the inflexible and inaccessible process for crafting an initiative proposal is a long step backwards from the current open and accessible process of law-making by elected representatives.

Businesses in states such as Ohio and California, which have initiative and referendum, have often found it necessary to defend themselves against initiatives offering simple solutions which, sometimes unintentionally, threaten the ability of businesses in those states to operate and remain competitive. To be heard on initiative and referendum questions, businesses in other states frequently have found it necessary to spend substantial sums to defend themselves, despite the fact that the proposal's impact on business may be, in fact, just a side issue. Those defensive actions add to the cost of doing business and make a state less attractive for business investment. We fear the impact that similar ballot questions would have on New Jersey's business climate.

The New Jersey Business and Industry Association urges that you not approve SCR-53. Instead, let us concentrate on ways to further improve public information and access to the Legislature, and on ways of involving more people in the legislative process and in elections. Great progress has been made in the past two decades. Let us not move backwards.

Thank you for this opportunity to present our views.

SENATOR COSTELLO: Thank you, David. Senator Cardinale?

SENATOR CARDINALE: I can't add anything to that speech.

SENATOR COSTELLO: Neither can I, David. Thank you very much. Is Eugene O'Brien here from United Taxpayers of New Jersey?

MR. O'BRIEN: Yes. If I could, I would appreciate speaking at a later time in the hearing.

SENATOR COSTELLO: I hope you won't all defer until it is time to leave.

FROM AUDIENCE: When is it time to leave?

SENATOR COSTELLO: I don't know. We'll give you adequate notice. We'll see what it looks like here; we have maybe a dozen more, and that's about five deferrals we've had now.

SENATOR CARDINALE: Mr. Chairman, may I ask a question?

SENATOR COSTELLO: Sure.

SENATOR CARDINALE: I was under the impression this was going to be a half hour hearing, and I have another committee meeting dealing with a very important subject.

SENATOR COSTELLO: Senator Cardinale reminded me, and he is correct, that this was scheduled to be a half hour session. He has another very important meeting to go to. But, that doesn't mean-- I'll stay and give you all an opportunity to testify, for the record anyway, so it will be documented. So, if you are ready to testify, I wish you wouldn't defer. Come on up and let's get it into the record. Albert Reid.

A L B E R T J. R E I D: My name is Albert J. Reid, and I represent the Keansburg Civic Association of approximately 1,450 members. I am also a former President of the Chamber of Commerce in Keansburg. Without taking up too much time, Keansburg is a little city on the Raritan Bay in Monmouth County.

I have come to speak about initiative and referendum because I think it is a very, very important issue. It is an exciting issue; it is an issue whose time has come, and it has been delayed too long. I just recently got involved in it, and I have been looking over all the editorials and all the paperwork that has been done on initiative and referendum for the last five or ten years or so, and one thing has become obvious to me. My mother used to tell me, "Before you decide on something, find out who is for it and who is against it, and who profits by it." One thing that has become obvious, painfully obvious, is that the opposition to initiative and referendum is based solely in lobbying groups who represent narrow sectors of

the community -- unions, the education lobby, large corporate taxpayers -- but, we have no representative, we have no lobby for "John Doe," for the silent majority out there.

I would like to mention specifically the organizations who have testified today, and who will testify today, and who have testified other times previous to this hearing. I would like to give you some quotes. The AFL-CIO are against initiative and referendum. I'll read a quote from previous testimony. "Some issues are simply too complex for the general public to understand, or to make a knowledgeable decision on." The New Jersey Education Association says, and I quote them, "Initiative and referendum would lead to armchair democracy. There will be no leaders, only anarchy. Initiative and referendum could harm the financing of school education. Small groups could approve or reject laws." I'll read you a quote now from the New Jersey Taxpayers' Association, and I think some clarification of that should be made. The New Jersey Taxpayers' Association is an organization that does not represent individual taxpayers as citizens. It represents rather large corporate taxpayers in business and industry, and I quote them. They say, "Statewide vote on any issue is an unsound policy, and not a constructive supplement to the representative form of government. The belief that people have the right to initiative and referendum is a philosophic misconception. The regular operations of government would be thrown into turmoil and indecision."

Another group opposed to the initiative and referendum process is the New Jersey Business and Industry Association, and I quote them when they say, "The public at large is not intelligent enough to make laws." Also, the New Jersey Chamber of Commerce is against initiative and referendum, and I quote them when they say, "Initiative and referendum could result in increased costs to business." They give an example of what happened in Massachusetts and Michigan, where legislation was passed on a referendum to ban nonrefundable beverage containers. They said, "Such a proposal in New Jersey would have an adverse effect on 1,400 to 1,500 employees in the State who are involved in bottled and canned beverage manufacturing." They finish up by saying, "Initiative and referendum could be bad for business."

Now, I would like to say something to clarify my position. I am not anti-business; I am a businessman; and, I believe in the free market. I could talk to you for five hours and tell you all the wonderful good things

about American business, so I do not want to be classified as being anti business. At any rate, it is painfully clear that these groups and other groups like them are the ones who are against initiative and referendum for the New Jersey citizens. They are lobbying for special interest groups, and they do not want the public to interfere. The interest of the group is paramount, and the interest of the public be damned. Taking specifically some of the objections and the quotes that were mentioned by these groups in previous testimony, number one, that the public is not smart or intelligent enough to pass laws. Well, I would just like to say that since 1947, there have been thirty-one bond issues in New Jersey that have been passed for \$4.18 billion, solely on their merits. Eighteen other bond issues, on their demerits, have not been passed. To most thinking people, this would be a responsive and a selected attitude toward referendum. The people are truly not dumb, and they are not insensitive. As far as having qualifications to pass laws, I would like to quote Will Rogers when he said, "Politics is the only profession for which no experience nor education is needed."

SENATOR COSTELLO: Who said that?

MR. REID: Will Rogers. At the time, he was trying to be humorous, and he was, but the import of that statement today is, perhaps, much more serious than it was intended to be.

Another statement that has been made, another criticism, is, "Initiative and referendum could harm the school education financing." Well, in thirty-six other states where referendums have been passed-- I would like to ask a question of the Committee first. It was my understanding that-- I heard previous testimony by the first gentleman who spoke. How many states have initiative and referendum laws?

SENATOR COSTELLO: I think you mentioned thirty-six, or something like that.

MR. REID: He mentioned thirty-six; my figure was not that high.

SENATOR COSTELLO: Do you have a figure?

MR. REID: Is it thirty-six, or is it--

FROM AUDIENCE: It's twenty-three.

MR. REID: Twenty-three is the figure I have, okay. I thought maybe I had not done my homework. At any rate, it has been said by the--

FROM AUDIENCE: I think it is twenty-nine states.

SENATOR CARDINALE: I think it is safe to say there is some dispute as to the number.

MR. REID: Well, it is somewhere in the twenties.

SENATOR COSTELLO: Anywhere between twenty and forty would be good.

MR. REID: It has been said by the New Jersey Education Association that initiative and referendum could harm school education financing in New Jersey, and to that I say in twenty-three, or twenty-nine, or thirty-six states in the Union, harm has not been done to educational financing by initiative and referendum. To that I would add that school children are the sons and daughters of our citizens in New Jersey, and certainly we care. I have six children of my own, and I do not want them to have a bad education.

SENATOR COSTELLO: Forgive me, are you almost finished?

MR. REID: I am almost finished.

SENATOR COSTELLO: I did mention this at the outset. We asked you to be brief; we are going to try to keep it down to five minutes per individual, or group. I would hope you could get to the summary of this thing now, because I'm sure what you have said-- There are going to be others up here who are going to spend the first two or three minutes of their testimony maybe refuting what you have said, and I do not want to become involved in a debate here. Just testimony, and that's it. Go ahead, sir.

MR. REID: Okay, I'll try to trim it down. One of the final complaints that has been made by people opposing initiative and referendum is that the people's right to initiative and referendum is a philosophic misconception. That statement came from the New Jersey Taxpayers' Association representing industry and business. With a little thought on that, I'm sure there are some meat packing industries in that Association, and they would recognize that statement for what it is. That is good old American baloney. The only philosophic misconception is that a lobbying group of business and industry can twist American political and legislative ideals to suit their own narrow interests. I am going to cut a lot of stuff out, okay?

SENATOR COSTELLO: I hope so. I am not being funny. It is just that we have several others. I see people who aren't even signed up raising their hands now, because of your testimony.

MR. REID: I understand your problem. Initiative and referendum is a basic right. We feel this will renew and invigorate representative government. It is good enough for the Swiss in Europe, who speak four different languages, and have the most stable society in the Western world. I just question whether or not the Swiss are more intelligent than we are.

We have eight freeholder boards in New Jersey which have formerly supported the initiative and referendum drive. Governor Kean says that anybody who is against initiative and referendum is against democracy. I wonder if there is anybody here who is against democracy. The present system allows for special interest input through lobbyists, and there are, again -- it can't be said too often -- no lobbyists for the man in the street. Despite all the changes in government, the Sunshine laws, and radio and T.V., they haven't changed a thing on that score.

I would like to finish up now, summarize, and be gone. I would like to quote George Burns, the eighty year old philosopher/comedian. He stated a long time ago, "It's too bad that all the people who know how to run the country are busy driving taxicabs, cutting hair and pumping gas." Well, with initiative and referendum, those people will have a chance to truly contribute and help run the government.

I would like to take this opportunity to salute Senators Dorsey, Vreeland, Musto, Foran, Laskin, DiFrancesco, Hirkala, Ewing, Zane, Kennedy, Rodgers, Hagedorn, Caufield, Graves and Gregorio. I would like to ask any of the good patriots here in the State House, if they value good government more than they fear encroachment of their legislative powers, when they step forward and support Senate Concurrent Resolution 53? Thank you.

SENATOR COSTELLO: Thank you, Mr. Reid. Mr. Marciante.

C H A R L E S M A R C I A N T E: Mr. Chairman, members of the Committee, I represent the New Jersey State AFL-CIO. I do not know where the previous speaker got his quotes, but I won't dwell on his testimony that much, as I don't place that much value on his testimony.

We are opposed to initiative and referendum, quite simply, because of a situation where you get into a campaign. Those people with vast resources can go before the general public, through the media, conduct campaigns, and have nearly anything passed, because of the arguments they can project on a television tube or through the radio. Do not minimize that kind of statement. More bad fish have been sold that way than in any other kind of campaign you will ever see. The idea of trying to bring before the general public-- I don't know where that quote came from that was attributed to the AFL-CIO about the general public, because we represent a good portion of the general public, in this State in excess of 52%. So, I don't know where that testimony, or where those quotes are coming from, but I can assure you they are pure baloney.

MR. REID: I would be glad to give that to you when you are finished.

MR. MARCIANTE: Fine. I would like to see you outside too.

MR. REID: I'll be there.

MR. MARCIANTE: The idea of the public being denied when they participate in elections, electing representatives of their choosing to represent them in Trenton to decide issues-- And, now you are going to say, "Okay, now the people," and the people in this instance can be swayed by the media. Make no mistake about that. And, the media will be making statements because it is paid, and we just do not have those kinds of resources to keep up with the idea. If our people are interested in having a program that they want pushed, they will go to their respective organizations, or they will go to their legislators, and those legislators will respond. (talking and mumbling in the audience)

SENATOR COSTELLO: Charlie, just a moment. (Mr. Marciante continues to speak) May I -- now look, we said a half hour. It would be no trouble at all for me to say, "That concludes the hearing," and we walk out. If this thing is going to end up in debating, that will be the end of the hearing. I don't want any debates; there was nothing in the meeting notice that said debates. I would hope that in the future, any testimony that is going to be submitted is going to be testimony designed to be constructive, and not something that is going to generate the type of activity that is going on here now.

FROM AUDIENCE: Senator, may I just say something?

SENATOR COSTELLO: No.

FROM AUDIENCE: Please let him direct his remarks to you and the Committee. He is directing his remarks out here.

MR. MARCIANTE: I was told to do that, sir.

SENATOR COSTELLO: Sir, may I just say something to you? You know, about five minutes ago, or ten minutes ago, those in the audience said they could not hear the testimony. So, I asked all those who were testifying to sit here, face the audience, and direct their comments out there. Does that answer your question?

FROM AUDIENCE: Thank you; you're in charge.

SENATOR COSTELLO: Okay, very good. If there is anymore rumbling in the crowd-- I don't want a debate here; I want to learn something. I want to hear the testimony; I have to vote. If you are going to sit here and be disruptive, whether it is Mr. Marciante or anyone else, I am not learning anything. As a matter of fact, you know, what I observe out there is exactly what some of you are accusing legislators of doing. Okay? So, please sir, you will have an opportunity to testify. I will stay as long as it takes to hear your testimony. You said you wanted to be heard at a future time. I don't know why, but that's your prerogative and I will honor that. So, hereinafter, please-- Okay? Mr. Marciante, we said five minutes, so you have about two minutes.

MR. MARCIANTE: Mr. Chairman, I will conclude my testimony. We oppose the legislation based solely on the fact that those interested groups who can garner the financing can put on campaigns that we could not hope to match. They buy television and radio time to the point of selling a product, whatever that product might be. We are opposed to initiative and referendum on that basis, that we could not possibly compete in that financial atmosphere. Thank you, sir.

SENATOR COSTELLO: Very good. Next? I will have no questions; I will simply accept testimony. The next witness will be Mildred Boyson.

MILDRED BOYSON: Gentlemen, I am Mildred Boyson. I represent the Asbury Park Taxpayers' Association, which is a civic group, and we thank you for this opportunity to appear before you.

Very briefly, we support SCR-53, and we have a particular reason for this. We wish to see something done to reform election laws in our State. We think this is a very important part of the democratic process, and we have had some problems in the past because of the present construction of the election laws.

The public has a right to petition its government, in order to get those matters before its government which interest them. We do not have that right now. We can make a petition with 100,000 names on it and carry it to Trenton, and it can be put in a drawer, and they can say,, "Thank you very much," and it doesn't matter what we, the public, want, they do not have to listen. They sometimes do, but they sometimes do not. This right is not now available. This should not be a privilege for the public; it should be a right. Our Constitution gives us the right to petition our government, and

it was meant that our government officials -- the elected people in our government -- should listen to us. I see no threat at all to our elected officials in representative government, but the initiative and referendum opens the door to the public, particularly in the areas of ballot reform.

I am concerned right now, because in my little hometown of Asbury Park, I was denied the right to speak at a public meeting. Now, this was such a departure from ordinary practice, that it got on T.V. I had no recourse for this. We took it to court, and it was decided by a judge that our city council had a right to deny me the right in an open council meeting to speak. If they did not want to hear me, they did not have to.

We put out a recall to recall this council that would not let the public speak in public. We were defeated in the recall because of the way the ballot was set up. We could not control this. And, when we went to the Election Board to ask to have the ballot changed, we found that we could not have the ballot changed. This should not be. This is a denial of a basic civic right of every citizen in New Jersey to be able to speak in public. The election laws should not deny the right of anyone in the State to have a recall, which right now is probably one of the hardest things we can do in our State.

We ask you to put initiative and referendum on our books, and to give the public the right to be heard at any level of government that we happen to be working in. Thank you.

SENATOR COSTELLO: Thank you, Mildred. Assemblyman Zimmer.

A S S E M B L Y M A N R I C H A R D A. Z I M M E R: Thank you very much for taking me out of turn. I have another committee meeting. I appreciate the opportunity to speak, and I will try to keep my remarks short in deference to the others who would like to discuss this.

I've come here as a member of the lower house of the Legislature, a house which never in history has voted up or down on the floor on the issue of initiative and referendum, this despite the fact that this is an issue that has been before the Legislature in the form of proposed constitutional amendments going back at least to 1970. We have discussed this issue enough; we have debated it enough; and, we have had enough hearings. The time has come for action and, if you are familiar with the constitutional requirements, in order to get on the ballot for November, we have slightly more than a month for this measure to go through the Senate, be considered in the Assembly, and voted on there.

New Jersey State Library

I am the sponsor of an identical measure to SCR-53 in the Assembly. Six requests of the State Government Committee have been unavailing to bring that up in committee. I feel that the only way we will have an opportunity to give the public a chance to make their feelings known this year on this issue, is to pass SCR-53 promptly in the Senate, to move it on to the Assembly and finally, for the first time in history, to get a vote in both houses on this. I'm sure that once the people are allowed finally to decide the vote in favor of amending the Constitution in this matter, it will be overwhelming. Thank you. (applause)

SENATOR COSTELLO: Thank you, Assemblyman Zimmer. Mr. Eugene O'Brien from the United Taxpayers of New Jersey.

MR. O'BRIEN: In the interest of saving time, could I defer my time to Mr. Sam Perelli who, unfortunately, arrived a little late?

SENATOR COSTELLO: All right. Mr. Perelli, do you have a prepared statement?

SAMUEL PERELLI: No, I don't. Senator, I come here today before this Committee, and I have been before this Committee a number of times. I think that Mother Nature is reflecting what is happening to the people. We're hot; we're hot because we have to sit here, and we have to convince our legislators to trust us. We are going to hear testimony today which will say, "Don't trust the public;" which will say that a small group of people can get together and influence legislation, possibly as was done a month and a half ago when the teachers attacked Trenton. That could happen; the public could do something like that.

What has me annoyed is that we have to sit here and say, "Please, allow me input into this government." I think it is time that the biggest special interest group in this State becomes the public. I'm asking this Committee to immediately put this piece of legislation on that twentieth date before the Senate which, by the way, it had already passed two years ago. It went through our Senate thirty to three. The bill was physically lost between our Senate and Mr. Jackman's hands and, when Mr. Jackman was called an hour later, he said, "It's hot; let's go home. Have a good vacation." And, that is what happened to citizens' rights in New Jersey, it went on vacation. I want it back from vacation.

I want one big question to be answered in this State. Who runs New Jersey? Mr. Marciante, the teachers' unions, or the public? What are we afraid of? (applause) Thank you.

SENATOR COSTELLO: Mr. Perelli, so we can clarify a point here, this has already been released from this Committee, so no one is going to sit out there and feel that this Committee -- the State Government Committee -- is sitting on this thing. We're not. It has been released. What we are going through now is a constitutional requirement that we have a public hearing. It has been released from Committee. Did you all know that before you came here? (inaudible answers from audience) Well, it has been released from this Committee. This is a requirement that we extend you an opportunity to testify and comment on the issue. Okay?

MR. PERELLI: I would just like to say one more thing. Don't leave here today without asking your Assemblymen -- they're here today -- "How do you intend to vote if this thing goes before you on Monday?" It might just get there. Thank you.

SENATOR COSTELLO: Mr. Larry Haverly from TAXPAC.

LARRY HAVERLY: I do not plan to read my whole statement; I just want to touch on a few hot items. Well, I am glad to hear that it has actually been released, and that makes it possible to keep our remarks fairly short. I am Larry Haverly, Executive Director of TAXPAC. Our group is strongly in favor of this. We have been working in support of this for many years, and we are very hopeful it will get a favorable vote in the Senate, hopefully on Monday, similar to what it did two years ago, and it will go to the Assembly, where, with the help of Assemblyman Zimmer and others over there, it can be pushed through.

Basically, I thought I might just touch on a few of the points we think initiative and referendum are important for, without doing into a great amount of detail, because I do have more detail in the handout. But, basically, we look on initiative and referendum recall as a fundamental voting right and, therefore, initiative and referendum should be added to the State Constitution. We feel it has been mostly a historical thing that has not been in the New Jersey Constitution, because New Jersey was one of the earliest states to form a Constitution and, at that time, initiative and referendum were not a well-accepted idea. But, in the meantime, there have been twenty-nine states -- and I do have a list. I notice there was a question earlier. This is a definitive list which comes from the Federal hearings which were held a few years ago. I forget which table number it is; I was just going to reference it.

It's on Page 2-5. There are actually twenty-nine states that have some form of initiative and referendum or recall. Of these, twenty-three specifically have initiative, so there are twenty-nine states which do provide the citizens with an opportunity to take initiatives on bringing before the Legislature matters which they feel are important.

Now, we do not think initiative will replace the Legislature. I have heard testimony that this would diminish the Legislature, or in some way would be a way of writing laws, but the history of initiative is that there are very few measures that have sufficient public support to generate the volunteer activity necessary to put an initiative measure across. Therefore, 99.9% of the laws will continue to be passed in the same way as they are now being passed, whether lobbyists do have their chance to present their case, and so on. But, there are occasions on which the public just simply is not able to get through to the legislator, where the special interest groups may be too strong. They may have direct contacts and, therefore, the public feels a need to have this option available to them. This is something extra in the form of democracy. It is not something which replaces any of the many desirable reforms that Mr. Lloyd talked about earlier. But, this is a supplement. We feel that it is a fundamental voting right, and one that is long overdue. We are hopeful that it will pass this year.

SENATOR COSTELLO: Thank you. I would hope, again, that in the interest of everyone who wants to be part of the record that testimony-- You know, you should learn from Larry. His statement was to the point, and brief. He submitted some prepared statements for the record. The purpose of this meeting, again, is to offer you the opportunity to testify and become part of the record, which will be printed, documented, circulated, and what have you. Next is Ms. Bernadine Silver.

B E R N A D I N E S I L V E R: Thank you, Senator. I'll save a couple of minutes by saying thank you now. I will be very brief, and I don't think I will need a microphone because my voice booms. I have not been down here for some time, but I have testified many times at all kinds of meetings. Most of it is "hogwash," and I have said so in public.

I represent the Federation of New Jersey Taxpayers; I also represent the Sussex-Wantage Taxpayers. I happen to be a Welfare Director, and I am on the Water Commission. I am involved with the jail up where I live, and I have been on other commissions, so this is not new to me.

I think SCR-53 must be passed, and when the gentleman mentioned 1970, that is how far back the public has gone to support the bill. We have been paid no attention to whatsoever, as far as I am concerned, and I have testified to the fact that we need something like that. Our property taxes in the State of New Jersey are confiscatory, and I talk from firsthand experience. I have had some conversations with various members of the Senate, and I have gotten nowhere. I might just as well have talked to a stone wall.

I am glad to see the bill out of Committee and on the floor, and I really think that it must be passed. It has long passed its due time. As far as the things Larry said, there are twenty-nine states that have already passed it. Whether it is initiative and referendum, or initiative referendum recall, they have passed it. They are now in the majority.

Town meetings, as such, have been so much hogwash, and I talk from experience. I talk about Tocks Island; I talk about the Appalachian Trail; and, I talk about Route 209. All of these things have come within my purview. I hope that this meeting will be different, and I sincerely hope that the Assembly will take cognizance of the fact that the people are here to support SCR-53.

Now, I also would make this comment. Criticism is often leveled at people in public office. While I do not have public office, many of the things I do are criticized. Today can be a very momentous occasion for the Senate, and I hope that if it goes down to the Assembly on the twentieth, that they do the same thing. Since there are already over one half of the states which have initiative and referendum, I feel assured that the Senate will join the majority of these states in the Union, and vote for the bill. I just believe that now is the time to show that the people count. We voted for you, and we expect you to respond to the very many town meetings and hearings we have had where there have been people representing practically every county. The Federation represents people from almost every county in the State of New Jersey, and my Sussex-Wantage group gets larger each day. I have a petition going around now to have our lake cleared up and, by the way, our Department of Environmental Protection is doing nothing, just talking.

I thank you again.

SENATOR COSTELLO: Thank you, Bernadine; very good. Marion Kaufman of the United Taxpayers of New Jersey in Morris County.

M A R I O N K A U F M A N: Gentlemen, I am appealing to you to pass SCR-53 for the simple reason that during the primaries in the general election, you people considered the electorate a most intelligent group of people, and you caught us and tried to get us to vote for you. Since I doubt anyone in this august body would deny this, may I ask you why, gentlemen, you do not have faith in us to pass laws and constitutional amendments? After all, we, the people, have many professionals in our body who are just as intelligent and educated as you are, if not more so, because our numbers are so much larger. When you people vote in the Senate, you only need twenty-one votes to pass a law, and for the Assembly it is only forty-one. For the people to pass a new law, we would need approximately 240,000 votes from registered voters, and, for a constitutional amendment, we would need approximately 360,000 votes. This would mean having volunteers getting 100,000 signatures over and above the amounts heretofore stated. Then you, our representatives, would have six months to pass this law, or constitutional amendment, before it goes onto the ballot.

If we, the people, are willing to undertake such a formidable task, I urge you to give us this responsibility. Thank you.

SENATOR COSTELLO: Thank you very much. Mr. Joseph Shanahan from the Hunterdon County Taxpayers' Association.

J O S E P H F. S H A N A H A N: I am Joseph Shanahan of the Hunterdon County Taxpayers' Association. This organization would like to go on record as strongly favoring the passage of the initiative and referendum bills now being considered by the State Legislature. It is an idea whose time has finally come. After two hundred years of the appearance of "all political power is inherent in the people," let us hope that at last the people of New Jersey are now going to get a method of implementing that power, which will finally break through a debased primary election system that allows the political elite of both parties to control the candidates and the issues to be voted on at all the general elections.

This organization has been one of the first to call for this necessary political reform, and we are attaching a copy of our 1979 statement to that effect for your further information.

Thank you for giving me an opportunity to appear before you.

SENATOR COSTELLO: Thank you, Mr. Shanahan; very good. Mr. Frank Intelisano of the New Jersey Federation of Senior Citizens. Good morning.

F R A N K R. I N T E L I S A N O: Good morning, Senator. I will try to be brief in my statement. There has been enough said on this bill, SCR-53, initiative and referendum. I represent, as the Executive Officer, the New Jersey Federation of Senior Citizens from the northern, central and southern parts of the State of New Jersey.

Now, I will be redundant in my statement if I make some of the remarks I would like to make. You have heard them from the other speakers, who spoke very amicably on SCR-53. But, I would like to bring to your attention that the sentiment of some of the Senators and Assembly people -- and this has been stated-- I have heard some remarks openly that the people are not intelligent enough, or competent enough, to make a decision. Now, that is an unfair remark to make. They need us whenever there is a bond issue, and I think it is time we stood up and faced reality, and get this bill passed.

Now, this has been proven time and time again by the different states that have had initiative and referendum. They say that we could rig these elections. That is not true. This has been proven in Dade County in Florida, where the voters rejected an increase in taxes. And, voters in Detroit voted for an increase in taxes. So, people are competent enough to make judgments and decisions to run their government. I think the voters of the State of New Jersey are entitled to Senate Bill SCR-53.

SENATOR COSTELLO: Thank you. Is Wayne Dibofsky here from the NJEA?

W A Y N E D I B O F S K Y: Thank you, Senator. Members of the Committee, my name is Wayne Dibofsky. I am an Associate Director for the New Jersey Education Association, representing 117,000 members. We are opposed to initiative and referendum.

NJEA thanks you for this opportunity to address this extremely important issue, whether the State Constitution should be amended to allow the process known as initiative and referendum. Ironically, this hearing itself underscores a very important fact as to whether we should change our Constitution. We have open committee hearings, at which time any citizen can express all of his or her opinions. Individuals come here frequently to speak, and often do so -- individuals, and inclusive to that, large groups representing constituencies, such as the NJEA, the AFL-CIO, the Chamber of Commerce, the Business and Industry Association, and other groups in that process.

Historically, I would like to defer to a point, very quickly. We all remember the Jarvis-Gann Initiative, Proposition 13, in California. Presently, Mr. Gann is working on a new plan; it is called the "Gann Plan," according to the Initiative and Referendum Report, and I quote: "It would greatly enhance the power of the minority party in the State Legislature, and make the leadership positions largely ceremonial. It would make staff funding and committee membership proportional to the percentage of seats each party held in the Legislature. This initiative would also limit the leadership's substantive powers. The Gann Initiative would also limit the leadership to one term of office, and would cut \$30 million from the Legislature's own budget." Clearly, the I&R process would take not only lawmaking power, but also the ability to manage itself, from the Legislature.

Another pending California initiative would redistrict the entire state, effectively taking the power away from the parties or independent commissions. A number on these redistricting plans could appear on the ballot. Still another possible ballot initiative in California would mandate enrollment of new public employees in the Social Security system, while still another would legalize marijuana. Does this sound like a lot for the voter to digest? It is. But, this is nothing compared to past years. For instance, in a front-page article in Advertising Age, June 2, 1980, John Revell said, and I quote, "Californians are being bombarded with bewildering slogans for no less than eleven referendums," and that voters saw and heard was a "slew of slogans, themes and catch phrases that would have enveloped the state in a kind of political smog for the past few weeks. Some state leaders have expressed concern that the political media eruption for candidates and propositions may scare off voters, or simply turn them off." Does that sound like a desirable process? Consider this. The Federal Advisory Commission on Intergovernmental Relations did its annual survey of public opinion on government and taxes, and in its 1981 survey found a polling phenomenon, how changes in terminology can lead to major differences in public responses. The question was, and I quote, "Suppose the budgets of your state and local governments had to be curtailed? Which activity would you limit most severely?" (laughter) When ACIR used the answer--

SENATOR COSTELLO: Just a moment. You know, if anyone laughed when you were testifying, I would do the same thing, I would admonish them. I wish you wouldn't do that, please. Simple due respect is all I'm asking. Okay? Go ahead, sir.

MR. DIBOFSKY: Thank you, Mr. Chairman. When ACIR used the answer, "Aid to the needy," fewer than 10% singled that item, but when ACIR substituted the term, "Public Welfare Programs," 39% singled out that item. Do we want to leave public policy to the vagaries of the wording of the ballot especially, as Alexander Hamilton said at the Constitutional Convention, and I quote, "The people are turbulent and ever changing." That is why, as William Buckley himself pointed out, "It was to guard against popular passions that checks and balances themselves were instituted." Mr. Budkley points out correctly that politicians must pay attention to public sentiment. "What is however unsafe," he writes, "is any judgment taken quite apart from other judgments with which they need to be integrated."

Finally, let's look at California and Massachusetts, two famous examples of what proponents of initiative and referendum would have us emulate. In California, Governor George Duikmejian, who ran on a "no-tax-hike" campaign, now is seeking \$800 million more in new revenues to help the state's educational system decimated by Proposition 13. In the State of Massachusetts, Senator Paul Tsongas calls Proposition Two and a Half a mistake which threatens that state's very potential to attract and keep high tech businesses, because of the damage it has done to the Bay State schools. After Proposition Two and a Half won in Massachusetts, teachers in Greenfield, Massachusetts, took out a newspaper ad hailing forty-two of their colleagues who lost their jobs because of a tax cut. One columnist said it reminded him of an epitaph. Please do not write the epitaph for education and other public services here in the State of New Jersey.

As a final note, we agree with many tax cut advocates that property taxes in our State are too high, especially in urban and rural areas and places where few of our businesses exist. We should reform that tax system, but let us not leave that all-important job to the haphazard process which begins with getting people to sign innocent-sounding petitions and ends with disasters in schools, fire and police departments, and other public services. The talk now is merely of improving education, and Ronald Reagan says, "It is the state's obligation to carry the lion's share of increased costs." But, the proponents of initiative and referendum want us to go backwards. Reject this mischievous measure before people in other states read stories about declining public service and general havoc in our State. Thank you, Mr. Chairman.

SENATOR COSTELLO: Thank you, Wayne. Lorraine Niemela from New Jersey Common Cause.

L O R R A I N E N I E M E L A: New Jersey Common Cause is actively supporting the indirect initiative for New Jersey after seven years of study. The support is for the well-balanced and moderate initiative and referendum program proposed by the Senate Judiciary Committee in 1981, SCR-53 and S-520, and amendments supported by Senator John Dorsey. It differs from other states in its fair but rigorous requirements for qualification and its generous allowance for Legislature and public scrutiny.

The passage of Proposition 13 in California has caused criticism of the process of initiative and referendum. A study of the tax issue shows that passage of similar measures has been successful in only two out of eight states with tax initiatives since June 1978. A second Jarvis initiative tax measure was defeated by Californians in 1980. Voters have quickly become aware of the subtle effects of changes in the tax structure.

Furthermore, a comparison of the systems of California and other states with the New Jersey program shows that the criticism is answered point by point with the safeguards included in the New Jersey proposal:

1. The indirect initiative gives the Legislature the opportunity to consider and vote on the initiative measure. If it is not passed, the legislative debate and decision provide the voters with a fuller understanding of the issue. Furthermore, at any time, the Legislature can pass its own law in response to the petition drive, making the voter effort unnecessary. California has the direct initiative and by-passes Legislative review.

2. The New Jersey program provides for amendment and repeal of an initiative measure so that important changes can be made by the Legislature. California initiative measures cannot be amended or repealed unless stated within the specific initiative measure.

3. Petition signature requirements are 8% of the votes cast in the preceding presidential election (240,000 signatures) for a statutory initiative and 12% of the votes cast in the preceding presidential election (360,000 signatures) for a constitutional amendment. The requirement is difficult, but not prohibitive. The requirements in California are much lower, 5%, 350,000 signatures for a statute, and 8%, 550,000 signatures for a constitutional amendment.

4. No more than 15% of the petition signatures can come from any one county. This geographic distribution provision assures statewide interest without making the requirement impossible to fulfill. California has no geographic distribution requirement.

5. Proponents have access to the Office of Legislative Services for aid in drafting the initiative and referendum measure. Upon submission of a proposed petition, the Attorney General reviews the measure for compliance with the technical requirements of the laws of New Jersey before certifying the petition for circulation. Ballot propositions have been poorly drafted in California because there is no official legal review.

6. A fiscal impact study of the proposal is issued by the Office of Legislative Services and a summary of the report is included in the voter information sheet.

7. Payment to petition circulators is prohibited to insure a grass roots signature gathering effort. California has developed a signature collecting industry that facilitates petition qualification for well-financed groups. Proposition 13 was handled by one of these campaign management firms.

8. Passage of the measure requires a majority of the votes cast on the measure that is at least 30% of the votes cast in the election. Occasionally, many voters abstain on a ballot question. Only measures that have been widely considered by the voters will become law. California does not have this provision, although Washington and Massachusetts include this safeguard in their process.

9. If a measure is defeated at the ballot, it cannot be resubmitted to the voters again for three years. California does not have this provision.

10. Measures affecting taxes or appropriations will become effective at the beginning of the fiscal year next following passage. The government has time to adjust budget considerations and serious problems can be addressed by the Legislature within this time. California does not have an opportunity for adjustment before a fiscal measure takes effect.

11. Financial disclosure of contributions and expenditures required as soon as the petition is certified provides the voters with the financial background of the proponents and the opponents of the measure early in the process.

12. A voter information sheet is to be sent to every household with at least one registered voter. It includes the official title and summary of the measure, a summary of the fiscal impact statement, and arguments and rebuttals of the proponents and opponents of the measure. The voter pamphlet has been shown to be an important information source in many states.

The New Jersey program for initiative and referendum is a comprehensive and careful approach to citizen initiated legislation.

The initiative and referendum process produces a more active electorate. In 1978, average voter participation in initiative states with an initiative measure on the ballot was 44.1%. Average voter participation in initiative states without a ballot measure was 42.3%. New Jersey's voter participation during this senatorial election was 35.3%.

SCR-53 and S-520 with the proposed amendments give New Jersey the opportunity to adopt a model program for initiative and referendum. They recognize the contribution of the Legislature and the intelligence of the voter. Your support for initiative and referendum will give voters a closer partnership with those who govern.

I would like to make two points in answer to testimony. One is that studies have been done of the financing of an initiative and referendum campaign. It's true, we are very cautious in relationship to the financial spending problems of initiative and referendum. But, there is a great deal of proof that money cannot buy an election. Money can destroy a movement, but it cannot pass an initiative. It can also lose, even though big money is spent. One example was in this past election, where there was a bottle bill that lost in California, and the spending was probably more than seven to one against it. But, in Massachusetts where it was seven to one against it, it won. So, money can sometimes defeat a measure. The other thing I wanted to say, and there is always discussion about it in California, from the time of filing a petition -- that is not when it is on the ballot -- but, from the time of filing a petition to the point where it is actually approved by the voters, is only 13% of all the measures. So, it isn't something that sweeps right through the State.

I want to thank you, and also Senator Dorsey and Assemblyman Zimmer. They have cooperated a great deal with our proposals.

SENATOR COSTELLO: Thank you very much. Before we hear the next testimony, I would like to correct something for the record. This reached the Senate floor by an action of the entire Senate body. The initiative and referendum legislation got to the Senate floor, not necessarily because of an action by the State Government Committee, but by an action of the entire Senate body, by a vote of thirty-four to nothing. So, it is down there to be moved. Okay? The next witness is Michele Hoffman from the New Jersey State Chamber of Commerce.

MICHELE HOFFMAN: Good morning members of the Committee. I am Michele Hoffman, Legislative Analyst for the New Jersey State Chamber of Commerce. Thank you for permitting me to share with you some of the State Chamber's views with respect to SCR-53.

The New Jersey State Chamber of Commerce has long been opposed to the concept contained in Senate Concurrent Resolution 53, proposing an amendment to the New Jersey State Constitution to establish the initiative and referendum procedure in our State. We are deeply concerned that the issue of initiative and referendum, while it may be offered as a populist reform, may instead become an opportunity for legislative mischief, an abdication of legislative responsibility, and a mechanism for circumventing rational government.

Amending the New Jersey Constitution to provide for initiative and referendum would, in our view, undermine the process of representative government in our State. When the present State Constitution was being drafted thirty-five years ago, the subject of initiative and referendum was debated and rejected. The legislative process is a deliberative one, where issues are carefully weighed, studied and considered. Therefore, the Legislature should continue to be the main initiating body for constitutional change, and not the voting booth.

In the State Chamber's view, the enactment of SCR-53 would add unnecessary costs to the electoral process. The public will be forced to pay for the additional costs resulting from the implementation of the legislation now under consideration. Review of petition language by the Office of the Attorney General will require more staff, verification and validation of petition signatures by the Secretary of State will necessitate additional staff personnel, the printing and mailing of sample ballots, with an unlimited number of propositions, will add massive costs, and the

preparation of voting machines for the propositions will add more costs, and could escalate in additional machines for each voting district, with the resultant costs being borne by the public.

The State Chamber of Commerce is concerned that initiative and referendum would result in significant increased costs to businesses. Each election would have the potential of a multitude of propositions that would cause the business community to spend millions of dollars to make its views known to the electorate throughout the State.

While initiative and referendum would probably result in an immediate bonanza, it would virtually add high costs to the already escalating costs of doing business in a State that has been recognized to be one of the highest cost states in the country in which to do business. Experiences in other states which have initiative and referendum have already proven that the costs of conducting public information campaigns result in millions of dollars being spent annually by business. Moreover, initiative and referendum would result in initiative campaigns on such issues as mandatory deposit legislation, hazardous waste, utility rates and business taxes, which are better left to the legislative process. Legislators, when considering and weighing issues, have a vast body of research available to them from nonpartisan staff, administrative agencies, policy from partisan staff, and the views of lobbyists, who represent various different points of the issue. The general public does not have access to such a plethora of information and research when they are called upon to vote "yes" or "no" on a particular issue.

We elect legislators to represent the interests of all citizens of New Jersey and, as such, they are accountable to the people. As quoted in the July 21, 1981 editorial of the Bergen Record, "We elected you. You do the job." This exemplifies the belief that initiative and referendum is an idea whose time has come and gone. The New Jersey State Chamber of Commerce notes that initiative and referendum, while promulgated as a populist reform, lacks the second "R" usually contained in such reform proposals, and that is recall of legislators, which paradoxically was not proposed by the sponsors of SCR-53. We contend that the present legislative process has worked well over the past years, and will continue to work well. Therefore, we support the view that the elected representatives of our State should have, and should continue to have, the responsibility of studying all aspects of legislative measures, and making informed decisions upon them.

In conclusion, the New Jersey State Chamber of Commerce does not favor government by initiative and referendum, and we urge the members of this Committee to oppose and reject SCR-53. Thank you very much for the opportunity to address this issue. We will be submitting testimony tomorrow. Thank you.

SENATOR COSTELLO: What do you mean by submitting testimony tomorrow?

MS. HOFFMAN: We will be submitting the written testimony tomorrow.

SENATOR COSTELLO: Thank you. The next witness will be Carol Kurtz from the League of Women Voters of New Jersey.

C A R O L K U R T Z: I am Carol Kurtz, Government Director of the League of Women Voters of New Jersey. In spring 1981, the State League adopted initiative and referendum as a study item. This procedure meant the Leagues all across the State made a comprehensive survey of materials relating to the item. We learned that some form of the initiative and referendum process is used in twenty-six states and over a hundred cities. Most of our states adopted these procedures during the Progressive Era as a reaction against corrupt governments that were unresponsive to the electorate. We learned too of the various types of initiative, and our study culminated in a consensus in which League members decided that the legislative processes of initiative and referendum should be available to New Jersey voters. (applause)

We support an "indirect" initiative, whereby registered voters may petition the Legislature to consider specific proposals or constitutional amendments. Indirect initiative complements the legislative process. It is only when the Legislature fails to respond after six months, that the requested legislation is presented directly to the voters. Indirect initiative has three main advantages: The Legislature can amend the initiative, thus allowing for compromise and, perhaps, more considered legislation; the cost of an initiative campaign can be saved if the Legislature passes the proposal; and, if not, the legislative debate will provide the voters with a better understanding of the pros and cons of the issue.

The League of Women Voters of New Jersey is totally committed to this concept. We have joined a coalition with Common Cause and other groups to ensure that SCR-53, and the companion legislation in the Assembly, appear on the 1983 ballot. Thank you.

SENATOR COSTELLO: I would like to comment. Conceivably, you could be the only one to testify on the one aspect of this thing that is different -- the one word, indirect. With that thought in mind-- I said I would not ask any questions, but this will be the only question. When you say you are totally committed to this concept, do you mean you are totally committed to the indirect?

MS. KURTZ: Yes, only the indirect.

SENATOR COSTELLO: Very good, thank you. The next witness will be Ernest Lettieri from the Bayonne Taxpayers Association.

ERNEST LETTIERI: Good morning, Mr. Chairman, members of the Committee, intelligent friends and supporters of initiative and referendum. I have heard much testimony here this morning both for and against the initiative and referendum process. We often wonder why there are so many organizations with so much money that are against the poor taxpayer, Mr. Marciante, the teachers' union, and taxpayers' groups that include Mobile Oil, Socony and the rest of those giants. They are all against the poor taxpayer.

I like what the lady just before me said, indirect initiative. All we are asking for is a chance to participate in our government. I say that emphatically, "our government," for without our tax dollars there would be no government. There would be no legislators; there would be no judges -- our tax dollars. And, you must remember, I wear this three-cornered hat (witness refers to hat he is wearing) which is a symbol of our fight for independence and the present taxes in the Boston harbor in the 1700's. Some years back, we put 15,000 people out in front here to protest a tax that was imposed upon us, a regressive tax. But, we did not resort to the same tactics that our forefathers did when they looted and burned the ships up in Boston harbor. We were peaceful. We had some nice things to say about our then Governor, but we demonstrated peacefully and we left.

So, what I am saying to you today is, I am supporting this legislation because seven years ago I started a drive to initiate and enact the return of capital punishment, and I worked the State of New Jersey far and wide. The only thing that this legislation is going to do, ladies and gentlemen, is to light a fire under our recalcitrant Legislature.

Gentlemen, this is the question on the ballot, what are you going to do for us? Will you, or will you not pass it? If you do, the taxpayers

have nothing to say; if you don't, then I believe they would have a lot to say. Thank you very much, sir.

SENATOR COSTELLO: The next witness is John Tomicki from the New Jersey Coalition of Concerned Parents.

JOHN TOMICKI: My first name is John; the last name is Tomicki. I am from Ringwood, New Jersey. I am the Associate Executive Director of the New Jersey Coalition of Concerned Parents. I am addressing this to my brother who just spoke before, since I am a supporter of initiative and referendum. I hope I am also one of his intelligent friends. I hope I am not in the unintelligent majority that some people believe exist in this State.

Government is the servant of the people. The people are not the servants of the government. There is another axiom that rolls around that, "You can fool some of the people some of the time, but you can't fool all of the people all of the time." Our New Jersey Constitution was adopted July 2, 1776. Colonel Witherspoon must have been working very hard shuffling back and forth between Philadelphia and New Jersey, with all of the work that was done. Article 1, Section 2, says, "All political power is inherent in the people. Government is instituted for the protection, security and benefit of the people, and they have the right, at all times, to alter or reform the same whenever the public good may require it." You have already heard testimony, and I recognize that, parenthetically, you are going to a statutory hearing. I understand that, but we have to come here and make our record statements so that the bill will move forward both in the Senate and, hopefully and prayerfully, in the Assembly.

You have heard testimony on the number of states that already have such legislation, and there has been testimony about the number of counties in the State of New Jersey that have already voted in favor of this concept. When the gentleman from the AFL-CIO spoke before about a lot of bad fish being sold this way, referencing the amount of monies that can be put into a campaign-- Recently, individually, I was involved in a campaign in a primary, not as a candidate, but in support of a candidate. Candidate "A," which was my candidate had a budget of about \$20,000; candidate "B" had a budget of about \$60,000. Candidate "B" won. I hope that this was not the fish that he was referring to, when he said a lot of bad fish have been sold in the State of New Jersey, and I do not mean it means any of you gentlemen here. I want you to understand that.

When the spokesman from NJEA spoke, he liberally quoted President Reagan. I wonder if that spokesman, and I ask the question rhetorically, would join with President Reagan in saying that one of the problems that exist in our educational institutions is not the lack of funds, but in how we spend them? Would he back the concept of merit raises for teachers? I would probably hear some silence if we met in the hallway to discuss that. I do not know what the representative of the AFL-CIO might think, but I would like to join him in prayer, and in saying that one of the other axioms I think we should live by is, "Eternal vigilance is the price of liberty." Too often, too many of us -- and I am going to ask you all a question now. A majority of you in the audience probably would join in what I just stated about the NJEA. How many of you, yourselves, went out and voted in the last school board elections, or the one before that, or the one before that? Yes, there is a concern that not enough people participate in the governmental processes that have been made available to them, whether it be in school elections, local elections, or primary elections. But, God has so ordained it, that he has given us this type of government. If we refuse to participate in it, then our rights will be taken away from us. If we become informed, and I say the people of New Jersey are worthy to be trusted, and I think their history on bonding referendums show that they are worthy, they can be trusted, we can communicate, whether it be from a single interest group, or a special interest group. What moved me a little bit further was when the representative of NJEA talked about their being opposed to it, yet their brothers up in the State of Massachusetts used the initiative and referendum process to bring a tax-funding proposal forward. We also heard from the Chamber of Commerce, which stated that they are opposed to this process, yet certain members of the chambers use that process when they wish to have the Blue laws repealed in certain counties in the State of New Jersey. One ponders the balance; one ponders consistency. All of us sometimes trip and stumble, because none of us are perfect, not one of us. Only one walked this earth who was perfect. But, we all try to be consistent; we all try to work together.

In the legislative process, I have just come up against a situation relative to a special interest group. In conversations on behalf of the organization I am part of, we are pushing and supporting a particular bill in the Assembly known as A-515. Look up your Legislative Index to see what that

bill relates to. It has been on second reading since July 8, 1982. Finally, after much discussion, it was agreed by the Speaker that he would have it posted. It was not posted. On Monday last, it was put on waiver by both sides. I called Mr. Karcher on Tuesday morning and thanked him very much for putting it up on waiver, hoping that I would look forward today to having the representatives of the people vote. In my briefcase, are signed supporting statements of well over thirty-two or thirty-three Assemblymen who support that particular legislation, and more will arrive for me by one o'clock today. A representative of a special interest group met with Mr. Karcher at one o'clock on Tuesday. Mr. Karcher advised the press and the media yesterday that, because of that input, that bill will not be posted. That bill will not be brought up on the floor. It breaks my heart. How many times, gentlemen, do we sit here at committee hearings and say, "We passed the bill onto the floor, because let the people be heard through their representatives?" I ask that special interest group to trust the people's representatives on that bill and, if we do not have that bill come up, we will seek that it be made the order of the day to the legislators who support that and, short of that, we will support and work for the passage of this legislation in a general election, and then move forward on that concept.

I thank the ladies and gentlemen who have spoken in favor of this. As for the League of Women Voters, and as to the indirect initiative and referendum, what sits within there, although that is a nice, interesting approach, only allows for a six-month delay. It is saying it gives the Legislature some time. Possibly when this procedure is made available to us, if we place the 200,000 signatures, the Legislature may not need the six months to make up its mind to move on an issue. Thank you, gentlemen.

SENATOR COSTELLO: We permitted you to digress a little bit on A-515.

MR. TOMICKI: I digressed on that to give the ladies and gentlemen of the audience, as well as yourselves--

SENATOR COSTELLO: Will you let me finish?

MR. TOMICKI: Yes, sir.

SENATOR COSTELLO: I think, whether you are aware of it or not, that you submitted some testimony supporting Senate Concurrent Resolution 133. I think you ought to read that. Take it with you, if you will; it's a good one. I mean it; I support your concept.

The next witness will be Mark Neimeiser.

M A R K N E I M E I S E R: Mr. Chairman, my name is Mark Neimeiser; I am the Associate Director of the American Federation of State, County and Municipal Employees AFL-CIO. To my left is Steve Rosenthal, an International Representative of the Communications Workers of America, and Peter Smith, the State Director of the New Jersey State Fire Fighters.

SENATOR COSTELLO: Excuse me, before you get into your testimony, I have to go to another committee meeting to vote. I will be right back. You may continue your testimony.

MR. NEIMEISER: Mr. Smith is also the President of the Public Employees' Council of the AFL-CIO. In the deliberations on this issue, I'm sure you have come to recognize that it is a particularly difficult issue for public employees and for AFSCME especially. While we generally support democratic reforms, we are concerned with the detrimental effect initiative and referendum can have, and have had, on State and local finances. I would like to pose the following suggestions which may reduce the detrimental effect of initiative and referendum.

First, the topics should be limited in initiative and referendum. Tax and finance issues are complex, and they should be restricted. Require a two-thirds majority on certain issues, such as tax and spending, and require the Legislature, much as they do in Maine, to review the initiative and referendum proposal before it actually goes on the ballot.

The bases for these suggestions are primarily grounded in the experience we have had in several states, but primarily what comes to mind is the experience we had in California on Proposition 13 back in 1978. I was out in California -- both Mr. Rosenthal and Mr. Smith have local unions out in California -- but I was out there during the campaign for Proposition 13, and directly following the passage of Proposition 13. Proposition 13 was a citizen initiative approved by voters in June 1978, which reduced property taxes in California by amending the state Constitution. The main provisions of the amendment were to roll back assessments to the 1975-76 market rates, except for property sold, transferred or constructed after 1975; to take property values and increase them no more than 2% per year; to limit the total property tax to 1% of its value, except that additions for prior indebtedness were allowed; and, to create new taxes or raise other taxes made more difficult by requiring a two-thirds vote of the Legislature.

(Senator Wynona M. Lipman, Chairwoman, arrives at this point in the hearing.)

MR. NEIMEISER: It is nice to see you, Madam Chairman. We're talking about California, and Proposition 13 as it was passed in June 1978. The State of California had a surplus of \$7 billion, and that was used to bail out local governments for the first several years. Without that state bailout, local governments would have had to absorb a decrease of 23% in their expected total revenue. In the first year, the state provided \$4.1 billion of aid to local governments. This left a net loss in the first year from Proposition 13 at \$2.8 billion, which had to be absorbed by local governments. The initial effects were considerable.

Average property tax reduced by more than one-half after the first year, from 2.67% to 1.2%. However, the revenues from that tax were reduced 60%, or \$6 billion to \$7 billion -- the property tax revenues were reduced 60%, or \$6 billion to \$7 billion. In the distribution of the benefits of that reduction, only 36% went to home owners; 64% went to commercial property owners and businesses. Businesses gained the most from Proposition 13. It is not surprising that Proposition 13 received strong business support. Localities in California became dependent on state government to finance services. Without their own ability to recover revenues, local jurisdictions are forced to compete for severely limited state resources and, in some cases, they allow state government to dictate local policies. There are steep user fees imposed in many of the jurisdictions in public service, ranging from parks to garbage collection. Even essential services are being charged for in some areas. Englewood, California, charges commercial property owners for fire fighting. In the first year, Proposition 13, in new and increased fees, raised \$200 million among local governments in California. We all know that user fees are regressive and inequitable. They force lower income people to pay a higher proportion of their income for basic services. Those too poor to afford these fees, are denied the services.

In California, local governments were prevented from issuing new bonds because of a reduction in tax base for Proposition 13. The result was that public works and capital investments were difficult to finance. The effects on state and local governments in 1980 were adverse effects, and they were apparent in the form of reductions in state and local government expenditures for Fiscal Year 1980, compared to Fiscal Year 1978. These figures, adjusted for inflation, were: in public schools, \$741.3 million

less, higher education, \$355 million less, police protection, \$20 million less, fire protection, \$19 million less, and libraries, \$36 million less. Significant declines in California state and local government employment were recorded. In the year ending October 1981, California government employment losses to the Bureau of Census were reported as 12,000 workers, of which 2,170 were state government workers, and 10,587 were local government workers.

Starting in Fiscal Year 1981, the state surplus that financed the bailout aid that I mentioned earlier--

FROM AUDIENCE: (interrupting) You are supposed to have only five minutes.

MR. NEIMEISER: I think others have taken more than five minutes. I would suggest that we have a laboratory in California, and that laboratory is what happened with Proposition 13.

FROM AUDIENCE: Enough already.

MR. NEIMEISER: I always like the way democracy works for everybody.

SENATOR LIPMAN: How long have you been talking?

MR. NEIMEISER: Well, it should be fifteen minutes here, five, five and five. We are all from different groups.

SENATOR LIPMAN: All right.

MR. NEIMEISER: In 1981, the state surplus to finance the bailout to localities and cushion the blow of Proposition 13 began to dry up. California's fiscal situation has deteriorated as a result of the recession. In the face of the worst postwar recession, California passed a fiscal year budget that will cut spending by 2% for the first time since 1943. In Fiscal Year 1983, cities and counties will experience the worst cuts because of Proposition 13. Also, the cumulative effects of deferred expenditures on roads and buildings are mounting. The property tax is kind of a cyclical tax which allows the state or city to meet the increasing demand for services in periods of recession. Without the ability to increase property taxes, and without a greater dependency on state revenues, local governments are unable to maintain necessary levels of service during economic decline.

The effect on the taxpayers is, I think, of moment to mention here. Proposition 13 has shifted the burden of property tax from business to

homeowners. In the year before Proposition 13, residential taxpayers paid 58% of the property taxes. The Los Angeles County Assessor estimates that by the end of the 1980's, residents will bear 80% of this tax burden. Inequities in property tax liabilities created because of Proposition 13 involved homeowners in virtually every area. Their property tax bills decreased; however, so did the value on those homes.

There are other situations in other states. In Prince George's County, Maryland, there was a tax reform initiative passed by that county. The initiative froze the dollar amount that could be raised through property tax to the 1978 level. In Fiscal Year 1982-1983, budget realities brought home the impact of the referendum. Cuts have been inflicted on libraries, health services, transportation and education.

Let me just focus on New Jersey, and I will be finished. If the growth of State expenditures is tied to the growth of State income, the State will have difficulty in meeting the demands placed on its recessionary periods. During such periods, the growth of income is small, yet claims for public assistance, social services and tax revenues will rise. If State spending can only increase according to State income, legitimate public needs will not be met. Limitation formulas must generally rely on data from prior years which do not reflect conditions during the period in which the budget will be in effect. Attempts to base limitations on projected data, given the recent economic fluctuations, are also unlikely to provide adequate indications of the demand for public services. The competition issue in New Jersey for State funds is one that currently provides a chaotic period in our State government. Any property tax reductions done through initiative and referendum would have a similar effect. Specifically, in New Jersey, local governments are restricted in their budgets by 5% above the previous year. About one-third of our cities have had to reduce police appropriations, and another third have reduced road repair and maintenance. Maplewood, New Jersey has ceased all road maintenance. In 1979, capital needs were \$408,000, for which the city had only \$7,000 available in its budget. In Vineland, New Jersey, no new trucks for its road department have been bought within the past several years, and it has replaced no police cars, and has seen the cost of gas to operate police cars go up by 41%. After passage of an Idaho limitation similar to Proposition 13, the City of Boise was forced to cut its 1980 police budget 13.5%, its fire department budget 14%, and its capital improvements budget 56%.

Madam Chairman, I'm finished.

SENATOR LIPMAN: I thought you were going to concentrate on New Jersey and conclude. Do you have a concluding sentence?

MR. SMITH: Madam Chairman, may I just make one or two quick comments?

SENATOR LIPMAN: All right.

P E T E S M I T H: For the record, my name is Pete Smith. I am the State President of the Fire Fighters' Association of New Jersey. Many cities in California had to lay off large numbers of fire fighters after Proposition 13, some of whom have still not come back to the staff levels where they were prior to Proposition 13. Many of the cities in California, and many of their residents, were put in great jeopardy from fire; also in Massachusetts, because of Proposition Two and a Half. Many cities laid off large numbers of fire fighters, in particular the City of Boston, which laid off one-third of its fire department. They were in chaos in the City of Boston for almost a year. The only thing that put the members back on, unfortunately, was the lack of a Supreme Court decision, which forced the City of Boston, rather than have the court make a decision on minority hiring, to put the staff level back to what it was prior to Proposition Two and a Half. Thank you.

S T E V E R O S E N T H A L: I would just like to add one thing also. For the record, my name is Steve Rosenthal, Communications Workers of America. We represent some 65,000 people in this State. Collectively, the Public Employee Council of the State AFL-CIO represents a quarter of a million working men and women in this State who are taxpayers as well. I think all of our unions have been involved in fair tax programs in full funding of State services, county services and local government services. Our main concern is to see that there are good State services here, and that it is done in a fair way. I think that this is the wrong way to go. Thank you.

SENATOR LIPMAN: Thank you, gentlemen.

MR. NEIMEISER: Thank you, Senator.

MR. CAPALBO: Is Lee Pacifico here from the Federation of New Jersey Taxpayers?

L E E P A C I F I C O: I am Miss Lee Pacifico, one of the Directors of the Federation of New Jersey Taxpayers. I thank you, Senator Lipman and Senator

Cardinale, for giving us the opportunity to speak; I also thank your Committee Aide, for listening.

We must have ACR-70 or SCR-53 passed in this session. It is long past due. The Federation of New Jersey Taxpayers, Inc. reminds our legislators that all of our taxpayers should be represented in Trenton, not only the special interest groups, such as the NJEA, the PBA, the State, county and local employees' unions, and all the other unions which harangue and harass you legislators into aiding and abetting them to fleece the taxpayers.

Several people spoke against SCR-53, and why not? The NJEA, the Chamber of Commerce, the State employees' unions have everything to lose with the passage of this bill. Their voices will no longer be the only ones heard in our legislative chambers, and they will no longer have the clout to force the legislators to accede to their demands.

Article I, Section 2, of our New Jersey Constitution gives all the people the right to change the Constitution if they are not being treated fairly. Such is the case now. We are not asking for the sun, the moon and the stars; we are asking for that which is everyone's birthright, to have a government which will allow all of us, not just a special few, to keep most of our tax dollars to live in comfort, dignity and, above all, freedom in our own State, and not be taxed out of existence. We are asking for voters' rights. Don't fail us now. Thank you.

SENATOR LIPMAN: Thank you, Miss Pacifico.

MISS PACIFICO: You will notice, by the way, how nice and short my testimony was, and to the point?

SENATOR LIPMAN: And to the point, absolutely. Thank you very much. Mr. Carl T. Buscher of the New Jersey Builders' Association.

C A R L T. B U S C H E R: Madam Chairman, I thank you for the opportunity to testify. Rather than repeat all of the other examples of dangerous citizen-initiated referenda in California, Massachusetts and other states, on behalf of the construction industry, and myself personally as a former member of a municipal zoning board of adjustment, I want to thank you for this opportunity this morning to tell you that builders, and people dependent upon the building industry for their livelihood, are opposed to SCR-53.

Zoning, planning and other issues should be decided by those municipal boards and elected governing bodies. Those who disagree with those decisions have the right to challenge them in courts of law. Although somewhat popular at the outset in several states, many now wish they had never voted in favor of initiative and referendum. We cannot endorse this resolution, nor any companion bill that does away with the traditional local county and State legislative process.

In conclusion, Madam Chairman, considering the very low voter turnout in recent elections, if this issue is passed we could be getting referendum decisions by the very few, not the majority of the people. Thank you very much.

SENATOR LIPMAN: Thank you, Mr. Buscher.

MR. CAPALBO: Is Joseph Long here, please?

J O S E P H L O N G: Thank you, ladies and gentlemen, and Committee. My name is Joe Long. I am Acting President of the Federation of New Jersey Taxpayers, President of the Paterson Taxpayers' Association, and former Membership Chairman of the Tax Revolt Association. Also, I have been a union member of the AFL-CIO, and a building trades' delegate for thirty years, so I know both sides of this issue.

I was out in California last year where they had seven or eight issues on the ballot. I did not see any radical issues; they were all justifiable, and they are still operating. They had \$7 billion, which you just heard, in reserve, and they are able to operate. They are still there.

One other thing, there are twenty-nine states on this continent which have initiative and referendum, and there is no reason why we can't have it. We got over a million signatures against the State income tax. Now, there are a million people right there, and those people should have had a right to initiative and referendum. Right now, in my hometown of Paterson, New Jersey, we have confiscatory taxation, just like Newark. It is \$9.10 on a hundred, including a sewer fee. So, what I'm saying is, things are getting very bad. Even in my line of work, I see rotation of men so there is enough work, where at least somebody can make some money. Maybe that is due to the recession; I don't know.

I hope this Committee passes SCR-53, or A-70, or whatever it is. It would be greatly appreciated by our constituents. Thank you very much.

SENATOR LIPMAN: Thank you, Mr. Long.

MR. CAPALBO: Is Anne Haberti here? (affirmative response)

A N N E H A B E R T I: I have listened very carefully to the different arguments for and against initiative and referendum, SCR-53. However, I am still very strongly in favor of initiative and referendum. I think that, especially in the last five or six years, people have had very little to say about certain issues that have passed up here in Trenton, especially with education. We have the gay rights bill, we have lesbianism, we have child sex. Your teen-age daughter can go out now and get a sex pill, or a birth control pill. When I went to school, they gave you an aspirin, and even then they had to fill out a long form and you had to sign it. You almost had to have your parents sign it. Now, they have all these things; it is not helping the children. I know teachers, and I know the schools, and there are a lot of problems.

Now, you see Japan, and Russia, and they are all way ahead of us in math and technology. This is one of the reasons why we are scared to death. We have a nuclear freeze, and we have people who do not want to have a freeze, because we're scared. We're running scared in this country. We need very strong education in the math and technology fields. With the money they are using, they are not using it correctly. I understand that in some areas like Jersey City they are getting in computers and things. I know out in the business world it's computers, and I fear the young people graduating are not getting the proper education. They are still teaching too much of this, well, liberalism. That's one thing.

Another thing is, I've seen a lot about the equal rights amendment in the State of New Jersey. This is another thing. Now, this went right to our State legislators. It was not put on the ballot. I did not even know about it, and I understand that they only need about two, is it, Madam Chairman, or three more states to vote, and it would become law throughout the land?

SENATOR LIPMAN: They have to begin again now.

MS. HABERTI: They have to begin again?

SENATOR LIPMAN: They have to begin all over.

MS. HABERTI: To me it was a frightening thing, not that I am against women and equal rights. I think that women today have come a long way. I mean, here we have a lady going into space. The things that they have done in space are wonderful, and we are reaping the benefits, such as

teflon and other technologies. I won't go into that. But, also, what equal rights wanted to do was outrageous, and thank heaven it was defeated. This is the reason why I am for initiative and referendum. I don't like being so far away from Trenton and not being notified of meetings that are going on that are important to me, important to the town and important to the local community.

I know I have been interested in the last seven or eight years in what is going on, and I usually get very late notices. I'm sure this has happened to everyone here. Then you come ill-prepared. I think that if people become more involved with government, even though they might put something on the ballot which may seem foolish, it's worth it. I think that the news media should give better coverage on politics. There is too much sensationalism in the news. They are not writing the news intelligently enough about different legislation that is going through and what is going on up here, Madam Chairman, and I think they should -- regarding zoning, taxes and everything. People should be notified. I don't think you have to spend a lot of money; it might cost a little more money, but I don't think it would cost that much more. The people should be better informed, and they should make it their duty.

This is the last free bastion in the world. If you look at the world, you see red -- I'll say red and white. Look at what is going red. Look at what is happening in Central and South America. Look at those poor people down there, what they have to go through to go to the polls. I could go on and on about other things, but it is very important that people become more conscious. I'm to blame too; I'm not saying I'm 100%. We must become more concerned in government, in our local government and in our State government. That's all. Thank you very much.

SENATOR LIPMAN: Thank you.

MR. CAPALBO: Is Mary Riley here from Bernards Township?

M A R Y E. R I L E Y: Madam Chairman, Committee members, I am Mary E. Riley from Bernards Township, New Jersey. I urge you to oppose the proposed amendment to the New Jersey Constitution which would allow voter initiative and enactment of legislation by petition. I similarly urge you to oppose Senate Bill No. 520 of 1982, which establishes the procedures for conducting

the initiative and referendum. I believe that the tenets of representative government are just as applicable to good government today as they were in 1787, and in 1947, when our national Constitution and our State Constitution were ratified. Essential to both documents is the idea that legislation should be enacted in the most deliberative manner by the best people we can discern among us to represent us. I am confident we can maintain our capacity to elect and reelect those who can best represent us in New Jersey, and I trust you will consider these measures with all deliberation and act to preserve the foundation of good government in New Jersey, by rejecting the proposed legislation.

Initiative and referendum legislation has been promoted throughout our State as a panacea for our fiscal problems. But, I like to compare the process to unearthing the foundation of your house, when you need only to insulate the walls. The initiative process will weaken constitutional government. You might even say this is an attempt to replace constitutional government by government by signatures.

Interestingly, proponents of these measures argue that voter-enacted legislation represents the "purest" form of democracy. Whenever those individuals claim to have a historical perspective, they often refer to the New England town meeting. The annals of early American history are rich in descriptions of those meetings. Discussions were lively; debate was often rigorous; and, since communities were well-defined, anonymity was impossible. In fact, the town meeting provided citizens the opportunity to recognize the most capable people among them to represent their interests in regional affairs. The town meeting, then, was a precursor of representative government at a time when suffrage was the right of only a few white property-owning males living in small communities.

The issue today, however, is not simply whether we will have direct or indirect government or both in New Jersey. The concern today is whether we will have just government in our State. I believe that in order to promote just government, you must resist this well-organized effort to weaken our Constitution. You must not relinquish your responsibility to us to study and decide the crucial issues of our day.

These issues require greater understanding of a variety of disciplines at a time in human history when specialization is the order of

the day. A very small percentage of the voters understood the ballot questions on riparian land reforms in two recent elections. On several other important issues, many voters complained of a lack of understanding of the issues. And, while I conducted voter education assemblies, more than once I heard someone attempt to simplify an explanation with, "If you want to vote yes, vote no."

An experience which exasperated me similarly was being asked how to vote by numbered items from sample ballots. That is hardly a demand for voter education. I realize, however, that there are those who stand prepared to take advantage of similar situations.

It seems unreasonable to assume that the power of political action committees could be limited by legislation enacted by the initiative process. The converse is probably true. A constitutional amendment permitting further amendment to the Constitution by voter enactment would be a more precise weapon for the use of PAC's.

Finally, since it is virtually impossible to verify the authenticity of signatures which appear on petitions, the potential for fraud in the voter initiative process is great. Surely, we must not subject our Constitution to change by voter initiative, and I suspect that my fellow citizens would not care to live in a State in which the deliberative process of developing the laws we live by is replaced by the limited expression of the multitude in a yes or no vote in the polling booth. Thank you very much.

SENATOR LIPMAN: Thank you, Ms. Riley.

MR. CAPALBO: Mr. Frank Haines from the New Jersey Taxpayers' Association.

F R A N K H A I N E S: Thank you, Madam Chairman. I'm sorry we had a changing of the guard in terms of the Committee since Senator Costello had to leave, but I welcome you as the Chairman. (Senator Costello returns at this point.) We now have two members of our Committee present. Good morning, Senator Costello.

I'm Frank Haines, Executive Director of the New Jersey Taxpayers' Association. Just for the benefit of the people in the audience, although it may not be necessary, NJTA is a private, nonpartisan governmental research organization founded in 1930, now in our fifty-third year. We are a member organization supported by voluntary contributions from members primarily from most categories of business and industry.

I think you are well aware that we have presented our views on the subject of initiative and referendum at practically every hearing that has been held, at least over the past five years. I would reiterate our policy position on this subject, which was adopted following extensive study of the history of initiative and referendum and, particularly, the developments in California since Proposition 13, and the results of Proposition Two and a Half in Massachusetts. Our position is that amendment of the Constitution to authorize use of unlimited initiative for either constitutional amendment or statute, and unlimited referendum for statute, is unsound policy.

Just a review of some of our positions: The New Jersey Constitution is a reasonably short document. It is an outstanding example of a basic charter, probably one of the most outstanding among the fifty states, and has many notable characteristics, such as a short ballot, a strong executive, sound and strong financial principles and an effective judicial system. There have not been excessive amendments, and our ballots have seldom been overloaded with referendum questions. The Constitution provides for the orderly process of constitutional amendment from the Legislature to the people reflecting the well-established historical precedent for voters having a voice in the changes of our State Charter. That is fundamental in every national constitution, except one.

For over a decade, the New Jersey Legislature has been striving to achieve recognition as an equal branch of State government. Larger professional staffs improved committee procedures and oversight measures, just a few of the actions you have taken to make the Legislative Branch more effective. Enactment of unlimited indirect initiative and referendum can undercut many of those efforts, especially if there are no limits placed on the subjects which can be petitioned. Initiative and referendum can nullify considered efforts to establish well-planned continuity of policy, particularly in fiscal affairs. Adoption of initiative and referendum will make it too easy for the Legislature to avoid critical decisions by leaving them to the voters. Importantly in this regard, the republican form of government and the concept of legislative apportionment both assume that a duly elected Legislature represents the interests of the State's entire populace, and not just those who are voting. Under unlimited initiative and referendum, decisions which the Legislature may be encouraged to avoid because of the existence of initiative and referendum may then be made by a

majority of a minority, in other words, those who vote and do. This usurps the constitutional roles, and the responsibilities of the Legislature and the general public alike.

Statistics, in fact, do not consistently show greater voter increase when initiative and referendum are available. The fall-off is considerable when the ballot is not tied to a presidential or major statewide campaign. Fall-off also increases as ballot issues become more complex. There is no way you can ensure simplicity in ballot questions. Thus, the Legislature's refusal to deal with a problem because initiative and referendum are more politically expedient, and citizen refusal to exercise ballot responsibility even when initiative and referendum are available, could result in critical decisions being delayed.

We think it is a misconception that initiative and referendum are unlimited, fundamental, inherent rights of citizens in every state and local government unit. Previous testifiers have indicated language from the Federal and State Constitutions on the power to petition elected representatives. I think if you try at least to interpret that, it means just what it says. You go through the elected representative process to petition. There is no fundamental Constitution, as originally adopted in our early days, which provides or recognizes specifically initiative and referendum.

Local government is a different situation from national and state governments in the use of public participation. The use of initiative tends to reduce complex problems to simple slogans, thus eliminating the deliberation, the compromise and the attention to detail which is possible in the legislative process.

Now, one of the inferences that commonly comes up when we are discussing initiative and referendum is that these subjects are widely used by our states. But, if we look at the facts, that is not true. Of our fifty states, twenty-three have initiative for either constitutional amendment or law. But, when we break that down, twenty-one have initiative for law, seventeen have initiative for constitutional amendment, and fifteen have initiative for both constitutional amendment and law, and fifteen is fewer than one-third of all the states in this country.

Of initiative provisions in nineteen of the state constitutions, fifteen are west of the Mississippi River, and those provisions date from the

progressive era near the turn of this century -- what's that, fifty or sixty years ago? Many of them were to evolve in the process of achieving statehood. Only four states have adopted initiative since 1920. Alaska's constitution in 1959 was a new constitution; then there were Wyoming in 1968, Illinois in 1970, and Florida in 1972. None of those four states, the most recent to have these powers, have initiative for both constitutional amendment and law. Alaska and Wyoming have initiative for statute, for law. Florida and Illinois have initiative for constitutional amendment only, and Illinois has the initiative power only for the legislative article. Therefore, no state has adopted initiative and referendum in any form in its constitution since 1972. The states which have used initiative and referendum extensively and consistently are a small number of western states, and only a few of those have the greatest experience in the use, or maybe the over-use, depending on how you look at it, of the powers. Of the twenty-one states which have initiative for law, at least five have restrictions on the subject, mainly revenue-raising measures, appropriations and special local legislation.

I would like to comment briefly on two or three things that were said that are not in my statement. One is the matter of voter participation. The record in New Jersey, unfortunately, on local referenda, as I pointed out, is not good, and we merely raise the question that voter participation starts with electing representatives. Is there any assurance that initiative and referendum will improve that participation? That is a basic concern of many of us. One gentleman referred to opposition groups, but I would point out the fact that if those powers are provided, they are not denied to anyone who wants to use them. I can assure you that having the powers will not deter anyone who is an opponent from using the powers if they are granted.

Some question has been raised about direct versus indirect, and I think we would have to say that given the option, if we are going to have either, that there is a lot to be said for indirect initiative and referendum, particularly initiative, where the Legislature has a reasonable time to act, and accordingly may save extensive costs of campaigning for or against questions.

Basically, the one great apprehension we have is the problem of the cost which is involved for either group, whichever side they are on, in

trying to promote one side or the other of the question. If these matters are not limited, then there are some real problems. There were some complaints about taxes, and lack of control. If financial influence is not now controllable, then financial intervention must result as a necessary part of publicizing issues. As I say, it is this cost which we think should be avoided if possible, or at least limited.

The use of initiative, as I said, tries to reduce complex problems to simplicity, and I have to reiterate what the previous testifier said about the complexity of a problem like riparian rights, when trying to get a simple understanding of that extremely complex matter.

In conclusion, I would like to say that the New Jersey Taxpayers' Association does not favor the amendment that is under consideration at this time, and sees little constructive improvement in New Jersey State government to be achieved from adoption of unlimited State initiative and referendum.

Madam Chairman, thank you so much, again, for giving me the pleasure of talking to you and presenting our views.

SENATOR LIPMAN: Thank you, Mr. Haines.

MR. CAPALBO: Mr. Eugene O'Brien.

EUGENE O'BRIEN: Thank you, Senator, and members of the Committee. My name is Eugene O'Brien, and I live in a small town on the ocean called Spring Lake. I must apologize, Senator, if I inadvertently gave out with a loud "ha, ha." You see, I am a student of comedy, and when I hear a good line that is funny, I automatically respond. My apologies.

I believe it was Abraham Lincoln who said, "Justice too long delayed, is justice denied." I think we, as citizens, are in this position now. It was interesting all morning that the only ones who were here pleading to be heard as citizens of this State, were individuals. Those who told us that we don't have enough gray matter between our ears, were all business entities. The gentleman who sat here before me said he represented New Jersey taxpayers.

MR. HAINES: I didn't say that. Am I right, Madam Chairman, that I did not say that? (no response from Senator Lipman) I do not think I said who our members are.

MR. O'BRIEN: You did, and I just want to reiterate that your members are members of businesses, and are not necessarily the New Jersey taxpayers such as everyone in this row, and that row, and that row, and

myself. I am here giving up my time because I believe in this wonderful country. You, sir, this is your job to be here, and you are being paid an hourly wage to sit here and tell me how wrong I am. I'm giving my time.

SENATOR LIPMAN: Mr. O'Brien, I wish you wouldn't particularize anyone in the audience.

MR. O'BRIEN: All right, I won't. I regret it, but I do get carried away at times.

You know, my Mentor in being interested in this is Howard Jarvis, and I have a picture of Howard raising the window, reaching out and saying, "I'm mad as hell," and that is what every citizen is trying to say here today. You know, we have gone through the experience of this thing being lost. Nobody knew where it was. Where were our remedies as citizens, see, to go through the due processes of our elected representatives when everybody was saying, "I don't know where the hell the thing is." Tell me, what is our remedy? Do we have any? We are trying to get to a point where we would light one little candle in a dark room, and not curse the darkness.

I deferred my time for Sam Perelli when he came in, and I promised that I wasn't going to keep you long, but the one thing that really sparked me today-- I live in a small town; I am interested in my local government, and I attend most council meetings. Our present mayor has the attitude that the only ones who should have a voice in our local government are people who are, not only living in Spring Lake and are taxpayers, but who were born there, because he is, and was. See? He has told me, and the committees have told me, that I, myself, as a member of the party that is not in command, have great privileges in town, and that we are all equal; however, some are more equal than others, and the great privilege I have is to pay my taxes.

Regarding the young lady who sat here and represented the Chamber of Commerce, I belong to my local Chamber of Commerce in Spring Lake. And, do you know, when the Chamber of Commerce testified at the last hearing -- or maybe it was the one before that -- I polled every Chamber of Commerce in Monmouth County, and not one of the grass root chambers was approached by the State organization. They did not seek information from every grass root person; they merely followed the printed forms given out by everybody else here today. I noticed when the three, shall I say, professional lobbyists came in, and I am not criticizing you people because you see these birds everyday. They are running around downstairs currying favor. "I have this

to get through. You do this for me, I'll do that for you." We are just citizens, we do not have these techniques. We don't have them, and we are just trying to get a couple of spiked shoes, where we can merely get started in the race. We have heard everything demeaning about what the citizens of California have done out there, and we are sitting here on the Eastern seaboard in the State of New Jersey. I'm sure that the remedies that everyone spoke of are inherent in the government of California, and those citizens are the ones to change that. They, just as we, are humans, and we all make mistakes. There can be holes in this present initiative and referendum. Let's work together and get it right. Because there can be a hole or two if it is so enacted, does that negate it and say it is totally wrong? I don't think so. Start someplace.

I do not want to get carried away. I want to thank you for listening to me.

SENATOR COSTELLO: Forgive me, if you will, if I offended you when I commented there. I appreciated your testimony. I would like to sit and talk to you. I may not agree with you--

MR. O'BRIEN: But, "I'll die for your right to say what you say."

SENATOR COSTELLO: Okay. I have one question to ask you. You know, I have heard two or three testify about the problems they have back home with their mayors. Is this bill going to help you with your mayor?

MR. O'BRIEN: Yes, because I think it will make every elected official--

SENATOR LIPMAN: Mr. O'Brien, he is a mayor.

MR. O'BRIEN: I think I am going to move to your town.

SENATOR COSTELLO: If I lived in your town, I would be mad as hell at your mayor too. I am a firm believer that if it takes all day, and all night around the clock, if you want to speak I'll listen to you. I may not agree with you, but I will listen to you. I will extend the courtesy to you, you know?

MR. O'BRIEN: You've got my vote.

SENATOR COSTELLO: Well, I don't know. I kind of suspect this is not going to help you with your mayor, and I don't even know who he is.

MR. O'BRIEN: I merely brought that up, Senator, because we start at a grass roots level, and I think this is our first indoctrination. I was a great one in the past for encouraging children from high school -- and even

grammar school -- to come and be part of the electoral procedure, to sit in on town meetings. However, the inequities that exist are hard to put up with, and the average citizen when he pays his taxes every year might say to himself, "Damn it, you know, I am in Boston harbor, and it is the 1700's, and the Tea Party is still out there." What do you say to him, "Change to coffee?"

SENATOR COSTELLO: I was going to say that.

MR. O'BRIEN: We are here with very sincere intentions in mind, believe me.

SENATOR COSTELLO: I know you are.

MR. O'BRIEN: We don't have any axes to grind except liberty, but I warn you that every other business organization and professional organization has other things in mind. They are telling us, as taxpayers, what is best for us, because they are thoroughly convinced, as teachers, etc., that the average person does not have enough gray matter between his two ears to exercise the inalienable rights that I know I have, because of the marvelous document that was signed in Philadelphia. You know, our country today is the finest in the world, but we have a lot of problems.

SENATOR COSTELLO: I think you ought to run for mayor.

MR. O'BRIEN: Really? Would you sign my petition? Thank you very much.

SENATOR COSTELLO: Who is the gentleman who made reference to the fact that New Jersey declared its independence on July 2? Someone in here made that statement.

FROM AUDIENCE: Did it?

SENATOR COSTELLO: Yes, not July 4. I have one commercial. That was true. It was done in a quaint little community about twenty miles from here, a place called Burlington, not Trenton.

FROM AUDIENCE: You must be from Burlington.

SENATOR COSTELLO: I am from Burlington.

FROM AUDIENCE: Were you mayor then? (laughter)

SENATOR COSTELLO: No, but I kind of suspect if I were, I would be up front leading the troops.

FROM AUDIENCE: Our mayor won't listen.

SENATOR LIPMAN: Ms. Monyek, do you want to speak, you haven't had a chance? (affirmative response) Would you please come up and sit down.

R O S E M O N Y E K: I just ran for the State Senate for a vacancy in a special election, and I am running in the general election for the State Senate. I have a written statement here which I would like to read.

I am Rose Monyek, a senatorial candidate for the vacancy in the twentieth legislative district in the June 6 Special Election and, also, in the General Election.

I am for initiative and referendum, and my slogan as a gubernatorial candidate was, "Checkmate inflation with initiative and referendum in 1981." In 1978 and 1979, I was on the Committee of Petitioners for Referendum on the City Hall Complex in Rahway. Assembly Speaker Alan Karcher was paid \$30,000 as Rahway's municipal attorney. Unable to prove insufficient signatures, he repealed the ordinance. Another ordinance doing the same was instituted a week later, but was also challenged by petition. The citizens of Rahway did not get the referendum, and the City Hall was built.

Being familiar with this issue, I feel that this legislation is long overdue to give the people a way to introduce legislation. It may be legislation bringing to light an oversight, taxation, or when our representatives must be corrected.

The recent legislation, A-3395, passed on an emergency basis, without proper procedure of public hearings at the Assembly and Senate levels, is the pits. Any voter and legislator must know that a special election is a general election, and should not be held at the same time as a primary, as was done on June 6, 1983 for the unexpired term in the Senate created by John Gregorio, representing Rahway, Linden, Elizabeth and Carteret. This legislation was self-serving to be a shoe-in, and was more political than economical after the filing date by not requiring new writs of election for the vacancies filled by special election falling within seventy days of an election -- NOT A PRIMARY, capitalized. The League of Women Voters and public interest groups, and the press, were not aware of a separate list of candidates in the special. My name is Rose -- politics stinks.

Initiative and referendum is one safeguard of protection for the public if our freedom is threatened by self-serving legislators. Freedom of the press and freedom of speech were threatened for the convicted.

Legislators in the Assembly postured themselves for NJEA support by giving unions the power to negotiate class size and curriculum, jeopardizing the elected board of education.

Last, but not least, the people will vote on saving money, rather than on more taxation. Future generations should not pay for current expenses. Submitted respectfully by Rose Monyek, and I am a candidate still running.

SENATOR COSTELLO: That is not proper procedure.

MS. MONYK: Not proper procedure? I guess I need practice. Should I run for president next?

SENATOR LIPMAN: I'm glad you are running for the Senate.

MS. MONYK: Well, last year I ran for the United States Senate, and I put the cure for the economy on the ballot and it went to every voter in the State of New Jersey. When I run this year, the press tells me that that is a national issue, but I'm sure the economy is also a State issue. So, we shall go on from there.

SENATOR LIPMAN: Thank you, Ms. Monyek.

MS. MONYK: You know, I can't be that smart, and I think a lot of legislators are not that stupid. Thank you.

SENATOR LIPMAN: If there is no one else to speak, we are going to end this hearing for today.

(HEARING CONCLUDED)



"The power to tax involves the power to destroy."—Chief Justice John Marshall

HUNTERDON COUNTY CITIZENS AND TAXPAYERS ASSOCIATION, INC.

P. O. BOX 527 • FLEMINGTON, N. J. 08822

1975-1976

JOSEPH F. SHANAHAN, Lambertville, President
THOMAS BLASTICK, Hampton, Vice President
RAY BUCH, Pittstown, Treasurer
ARLEN D. BESEL, Millford, Secretary
WILLIAM MACHAUER, Califon, Program Chairman

7 June 1979

MINORITY COMMITTEE HEARING

AREA COORDINATORS

North Mrs. C. Potthoff, Bethlehem
Bethlehem
Glen Gardner
Hampton
High Bridge
Tewksbury
Union

Mr. Chairman, members of the Committee:

I am Joseph F. Shanahan of Lambertville, N.J. representing the Hunterdon County Citizens and Taxpayers Association, a group of working taxpayers (non-partisan) who are interested in the promotion of justice, efficiency and economy in government and who deplore the current ever-increasing spending policies of government at every level.

East William Machauer, Califon
Califon
Clinton Town
Clinton Township
Lebanon Boro
Lebanon Township
Readington

West Arlen Besel, Millford
Alexandria
Bloomsbury
Frenchtown
Holland
Millford

South Joseph Shanahan, Lambertville
Delaware
East Amwell
Lambertville
Stockton
West Amwell

I am here today to express the enthusiastic support of our membership and others for the idea of amending the State Constitution to permit the use of the initiative and referendum as stated in SCR #13 (attached in part) and as evidenced by the attached copy of a petition which was circulated by this organization and which was signed by more than 3000 people in the 14th Legislative District and then presented to the legislators of that district here in the State House last February.

Central Ray Buch, Frankton
Flemington
Franklin
Kingwood
Raritan

From our statewide contacts we have reason to believe that support for such initiative is widespread throughout the state and we urge this Committee to do its utmost to get this bill or its successor before both houses for a vote.

Thank you for allowing us this opportunity to express our views on the subject.

J.F. Shanahan
RD 2 Lambertville, N.J. 08530
609-397-3158

ADVOCATING
GOOD
GOVERNMENT
SINCE 1930



NEW JERSEY
TAXPAYERS
ASSOCIATION

200 WEST STATE ST • TRENTON, N.J. 08608 • TELEPHONE 609-394-3116

STATEMENT OF
NEW JERSEY TAXPAYERS ASSOCIATION, INC.
RE
SENATE CONCURRENT RESOLUTION NO. 133,
A CONSTITUTIONAL AMENDMENT AUTHORIZING A MAJORITY OF THE LEGISLATURE
TO INVALIDATE ANY RULE OR REGULATION OR PROHIBIT ANY
PROPOSED RULE OR REGULATION
SUBMITTED FOR THE RECORD TO
SENATE COMMITTEE ON STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
TRENTON, N.J. - JUNE 22, 1983

The New Jersey Taxpayers Association, whose members include a broad spectrum of the State's prestigious business and industrial community, is a non-profit, non-partisan research organization established in 1930 to study fiscal policy involving government finance, organization and management.

NJTA wishes to express its opposition to this proposed amendment which would permit the Legislature acting in accordance with such rules as it may adopt, and by a majority of the authorized membership of each House, to invalidate any rule or regulation, in whole or part, and prohibit any proposed rule or regulation, in whole or part.

NJTA recognizes the recent trend of State Legislatures to become a stronger more equal branch of State government primarily through various kinds of "oversight". On more than one occasion this Association has suggested the desirability of adding oversight provisions to certain major legislation.

NJTA views SCR No. 133 has an effort to introduce a legal way to accomplish what the Supreme Court nullified in N.J. General Assembly, 1982, 90 N.J. 516, in adjudging the Legislative Oversight Act of 1981 as unconstitutional.

Using the constitutional amendment route cannot reverse the principle that the technique proposed for oversight of rules and regulations still violates the separation of powers doctrine and would still impede the Executive in its constitutional mandate to faithfully execute the law.

Further, NJTA doubts the ability of the legislative branch to effectively operate under a legislative oversight act such as Chapter 27, Laws of 1981, based on its earlier experience.

-more-

2.

NJTA also questions the benefit to be gained from such oversight method compared to the cost of staff which such review would require on a concentrated long-range basis.

The New Jersey Legislature is still a part-time Legislature. To maximize its effectiveness it should evaluate the various oversight alternatives and determine the priorities of those oversight techniques which it considers it is capable of performing and which if exercised fully will enable it to perform its principal functions most effectively. Until the Legislature does this, oversight methods will continue to operate under less than maximum efficiency.

While NJTA recognizes that the position just expressed will not be agreed with by the honorable members of your branch of government, nevertheless the views expressed are based on over three decades of close observation of the New Jersey legislative process as well as legislative operations in several other states.

Thank you for the opportunity to place these views on the record.

