
Public Hearing

before

SENATE STATE GOVERNMENT COMMITTEE

SENATE BILL No. 821

(Creates an additional property tax rebate program
for eligible senior citizens to be funded by
video lottery net proceeds)

and

SENATE CONCURRENT RESOLUTION No. 56 (1R)

(Proposes amendment to Constitution to allow State
lottery proceeds to be used for property tax
relief for eligible senior citizens)

LOCATION: Sayreville Senior
Citizens Center
Sayreville, New Jersey

DATE: June 9, 1992
10:30 a.m.

MEMBER OF COMMITTEE PRESENT:

Senator Joseph L. Bubba, Chairman

ALSO PRESENT:

Joseph P. Capalbo
Office of Legislative Services
Aide, Senate State Government Committee



New Jersey State Library

Hearing Recorded and Transcribed by

The Office of Legislative Services, Public Information Office,
Hearing Unit, 162 W. State St., CN 068, Trenton, New Jersey 08625-0068



JOSEPH L. BUBBA
Chairman

PETER INVERSO
Vice-Chairman

GERALD CARDINALE
WILLIAM E. SCHLUTER
WYNONA M. LIPMAN
ROBERT MENENDEZ

New Jersey State Legislature

SENATE STATE GOVERNMENT COMMITTEE

LEGISLATIVE OFFICE BUILDING, CN-068
TRENTON, NEW JERSEY 08625-0068

(609) 292-9106

NOTICE OF PUBLIC HEARING

The Senate State Government Committee will hold a public hearing on the following legislation:

3-821
Bubba/Corman

Creates an additional property tax rebate program for eligible senior citizens to be funded by video lottery net proceeds.

SCR-56
Bubba/Corman

Proposes amendment to Constitution to allow State lottery proceeds to be used for property tax relief for eligible senior citizens.

The hearing will be held on **Tuesday, June 9, 1992 at 10:00 A.M.** in the **Sayreville Senior Citizens Center, Corner of Main Street and Pulaski Avenue, Sayreville, New Jersey.**

The public may address comments and questions to Joseph P. Capalbo, Committee Aide, or make bill status or scheduling inquiries to Deborah Del Vecchio, Secretary, at (609) 292-9106.

Issued 6/2/92

91

SENATE, No. 821

STATE OF NEW JERSEY

INTRODUCED MAY 14, 1992

By Senators BUBBA, CORMAN, Inverso, LaRossa and Connors

1 AN ACT establishing an additional property tax rebate for
2 certain eligible senior citizens and supplementing P.L.1990,
3 c.61 (C.54:4-8.57 et seq.).
4

5 BE IT ENACTED by the Senate and General Assembly of the
6 State of New Jersey:

7 1. a. A resident of this State, as defined in section 2 of P.L.
8 1990, c.61 (C.54:4-8.58), who is of the age 62 or more years and
9 who is eligible to receive a rebate pursuant to section 3, 4 or 5 of
10 P.L.1990, c.61 (C.54:4-8.59 et seq.) shall also be eligible to
11 annually receive an additional property tax rebate pursuant to
12 this section from funds appropriated from the Video Lottery Fund
13 established by section 41 of P.L. , c. (C.) (now pending
14 before the Legislature as Senate Bill No. 820 of 1992), provided
15 that:

16 (1) in the case of a married couple filing a joint New Jersey
17 gross income tax return or an individual filing a return who
18 determines gross income tax pursuant to subsection a. of
19 N.J.S.54A:2-1, gross income does not exceed \$70,000 for that
20 year;

21 (2) in the case of an unmarried individual who determines gross
22 income tax pursuant to subsection b. of N.J.S.54A:2-1, gross
23 income does not exceed \$35,000 for that year;

24 (3) in the case of a married individual filing a separate New
25 Jersey gross income tax return, if the spouse of the claimant
26 maintains the same homestead as the claimant and also files a
27 separate gross income tax return in this State, the combined
28 gross income of both spouses does not exceed \$70,000, but in no
29 event shall the rebate claimed under this section exceed one-half
30 of the amount of the rebate allowable had the spouses filed a
31 joint return and rebate application; and

32 (4) in the case of a married individual filing a separate New
33 Jersey gross income tax return and maintaining a homestead
34 apart from that individual's spouse, gross income does not exceed
35 \$35,000.

36 b. The additional property tax rebate payable pursuant to this
37 section shall be paid for each tax year beginning with the tax
38 year next following the year in which the claimant reaches age 62
39 or the tax year in which this act takes effect, whichever occurs
40 later. With respect to a married couple, both spouses shall be
41 deemed to have reached age 62 when either spouse reaches 62
42 years of age. A person who becomes a resident of this State
43 after reaching age 62 shall, for purposes of this section, be
44 deemed to have reached age 62 in the year in which the person
45 becomes a resident.

46 c. The amount of the additional property tax rebate payable to

1 a claimant pursuant to this section shall be equal to the
2 difference between the property taxes paid by the claimant on a
3 homestead during the tax year for which an additional rebate is
4 claimed and the property taxes paid by the claimant on a
5 homestead in the tax year in which the claimant reaches age 62
6 or the tax year in which this act takes effect, whichever occurs
7 later.

8 If a claimant's homestead during any tax year was a unit of
9 residential rental property, the amount of the claimant's rent
10 which constituted property taxes shall be considered to be the
11 amount of property taxes paid by the claimant.

12 If a claimant's homestead during any tax year was a unit of
13 residential rental property for part of the year and other than a
14 unit of residential rental property for the remainder of that year,
15 the sum of the amount of the claimant's rent which constituted
16 property taxes paid by the claimant plus the property taxes
17 actually paid by the claimant shall be considered to be the
18 amount of property taxes paid by the claimant.

19 d. A rebate shall be allowed pursuant to this section in relation
20 to the amount of the property taxes actually paid by or allocable
21 to a resident property taxpayer who is a claimant on more than
22 one homestead, but the aggregate amount of the property taxes
23 claimed shall not exceed the total of the proportionate amounts
24 of property taxes assessed and levied against or allocable to each
25 homestead for the portion of the year the claimant occupied it as
26 the claimant's principal residence.

27 e. If title to a homestead is held by more than one individual
28 as joint tenants or tenants in common, each individual shall be
29 allowed a rebate pursuant to this section only in relation to the
30 individual's proportionate share of the property taxes assessed
31 and levied against the homestead. The individual's proportionate
32 share of the property taxes on that homestead shall be equal to
33 the share of that individual's interest in the title. Title may be
34 presumed to be held in equal shares among all co-owners, but if
35 the conveyance under which the title is held provides for unequal
36 interests therein, a claimant's share of the property taxes paid
37 on that homestead shall be in proportion to the claimant's
38 interest in the title.

39 f. If the homestead of a claimant is a residential property
40 consisting of more than one unit, that claimant shall be allowed a
41 rebate pursuant to this section only in relation to the
42 proportionate share of the property taxes assessed and levied
43 against the residential unit occupied by that claimant, as
44 determined by the local tax assessor.

45 g. If more than one resident, other than a husband and wife,
46 qualify for a rebate by reason of their having occupied the same
47 unit of residential rental property as their homestead, it shall be
48 presumed that each claimant shall be allowed a rebate pursuant
49 to this section only in relation to the individual's proportionate
50 share of the total rent constituting property taxes paid by that
51 claimant which rebate shall be in proportion to the percentage
52 that the total rent paid by that claimant bears to the total rent
53 paid by all tenants of the same unit. For the purposes of a rebate
54 claimed by an individual subject to this subsection, the names and

1 social security numbers of each co-tenant shall be reported by
2 the claimant and the total rent paid shall be presumed to be paid
3 in equal parts among all co-tenants.

4 h. If a claimant for a rebate pursuant to this section has no
5 other homestead in this State other than a unit of residential
6 rental property, and that claimant was not a resident of this
7 State for the full tax year, but paid rent for the full tax year for
8 one or more units of residential rental property in this State, the
9 claimant's total rebate otherwise calculated pursuant to this
10 section shall be prorated in the proportion which the number of
11 days the claimant occupied residential rental property in this
12 State as a homestead during the tax year bears to 365 days.

13 i. The Director of the Division of Taxation in the Department
14 of the Treasury shall administer the additional property tax
15 rebate program established pursuant to this section in accordance
16 with the procedures established by sections 6, 7, 8 and 10 of
17 P.L.1990, c.61 (C.54:4-8.62 et al.).

18 j. Nothing contained in this section shall be construed as
19 reducing the amount of any rebate payable to a resident of this
20 State pursuant to P.L.1990, c.61 (C.54:4-8.57 et seq.) or the
21 amount of any annual deduction from the amount of taxes on real
22 property to which a resident is otherwise entitled by law.

23 2. This act shall take effect immediately but remain
24 inoperative until the approval by the voters of Senate Concurrent
25 Resolution No. 56 of 1992, or a substantially similar
26 constitutional amendment permitting State lottery proceeds to be
27 used for property tax relief for eligible senior citizens, and the
28 enactment into law of P.L. , c. (C.) (now pending before
29 the Legislature as Senate Bill No. 820 of 1992).

30 31 32 STATEMENT 33

34 This bill establishes an additional property tax rebate for
35 eligible senior citizens age 62 and above to be funded by
36 appropriations from the Video Lottery Fund created by separate
37 legislation. Senior citizens whose gross income is less than
38 \$70,000 for a married couple and \$35,000 for an individual and
39 who qualify for a property tax rebate under the existing
40 Homestead Property Tax Rebate Act of 1990, P.L.1990, c.61
41 (C.54:4-8.57 et seq.) would be eligible for an additional rebate
42 equal to the difference between the amount of their property
43 taxes in a given year and their property taxes in the year in which
44 they turned 62 or the year in which the bill takes effect,
45 whichever is later. This would, in effect, freeze the property
46 taxes of an eligible senior citizen at the level in effect in the
47 year that the individual turns 62. Senior citizens who rent their
48 homes would be eligible for the same benefit based upon the
49 portion of their rent attributable to property taxes. The bill
50 would take effect upon the approval by the voters of a
51 constitutional amendment permitting State lottery net proceeds
52 to be used for property tax relief for senior citizens and the
53 enactment into law of legislation creating a Statewide network of
54 video lottery machines.

1

2

3 Creates an additional property tax rebate program for eligible
4 senior citizens to be funded by video lottery net proceeds.

[FIRST REPRINT]
SENATE CONCURRENT RESOLUTION No. 56
STATE OF NEW JERSEY

INTRODUCED MAY 14, 1992

By Senators BUBBA, CORMAN, Inverso and LaRossa

1 A *CONCURRENT RESOLUTION* proposing to amend Article IV,
2 Section VII, paragraph 2 of the Constitution of the State of
3 New Jersey.

4
5 BE IT RESOLVED *by the Senate of the State of New Jersey*
6 *(the General Assembly concurring):*

7 1. The following proposed amendments to the Constitution of
8 the State of New Jersey are hereby agreed to:

9
10 PROPOSED AMENDMENT

11 a. Amend Article IV, Section VII, paragraph 2 to read as
12 follows:

13 2. No gambling of any kind shall be authorized by the
14 Legislature unless the specific kind, restrictions and control
15 thereof have been heretofore submitted to, and authorized by a
16 majority of the votes cast by, the people at a special election or
17 shall hereafter be submitted to, and authorized by a majority of
18 the votes cast thereon by, the legally qualified voters of the
19 State voting at a general election, except that, without any such
20 submission or authorization:

21 A. It shall be lawful for bona fide veterans, charitable,
22 educational, religious or fraternal organizations, civic and service
23 clubs, senior citizen associations or clubs, volunteer fire
24 companies and first-aid or rescue squads to conduct, under such
25 restrictions and control as shall from time to time be prescribed
26 by the Legislature by law, games of chance of, and restricted to,
27 the selling of rights to participate, the awarding of prizes, in the
28 specific kind of game of chance sometimes known as bingo or
29 lotto, played with cards bearing numbers or other designations, 5
30 or more in one line, the holder covering numbers as objects,
31 similarly numbered, are drawn from a receptacle and the game
32 being won by the person who first covers a previously designated
33 arrangement of numbers on such a card, when the entire net
34 proceeds of such games of chance are to be devoted to
35 educational, charitable, patriotic, religious or public-spirited
36 uses, and in the case of senior citizen associations or clubs to the
37 support of such organizations, in any municipality, in which a
38 majority of the qualified voters, voting thereon, at a general or
39 special election as the submission thereof shall be prescribed by
40 the Legislature by law, shall authorize the conduct of such games
41 of chance therein;

42 B. It shall be lawful for the Legislature to authorize, by law,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
Senate SSG committee amendments adopted June 4, 1992.

1 bona fide veterans, charitable, educational, religious or fraternal
2 organizations, civic and service clubs, senior citizen associations
3 or clubs, volunteer fire companies and first-aid or rescue squads
4 to conduct games of chance of, and restricted to, the selling of
5 rights to participate, and the awarding of prizes, in the specific
6 kinds of games of chance sometimes known as raffles, conducted
7 by the drawing for prizes or by the allotment of prizes by chance,
8 when the entire net proceeds of such games of chance are to be
9 devoted to educational, charitable, patriotic, religious or
10 public-spirited uses, and in the case of senior citizen associations
11 or clubs to the support of such organizations, in any municipality,
12 in which such law shall be adopted by a majority of the qualified
13 voters, voting thereon, at a general or special election as the
14 submission thereof shall be prescribed by law and for the
15 Legislature, from time to time, to restrict and control, by law,
16 the conduct of such games of chance;

17 C. It shall be lawful for the Legislature to authorize the
18 conduct of State lotteries restricted to the selling of rights to
19 participate therein and the awarding of prizes by drawings when
20 the entire net proceeds of any such lottery shall be used for State
21 institutions, State aid for education, and property tax relief for
22 eligible senior citizens as the Legislature shall provide by law
23 ¹, which relief may be in addition to any relief provided pursuant
24 to Article VIII, Section I¹; and

25 D. It shall be lawful for the Legislature to authorize by law
26 the establishment and operation, under regulation and control by
27 the State, of gambling houses or casinos within the boundaries, as
28 heretofore established, of the city of Atlantic City, county of
29 Atlantic, and to license and tax such operations and equipment
30 used in connection therewith. Any law authorizing the
31 establishment and operation of such gambling establishments
32 shall provide for the State revenues derived therefrom to be
33 applied solely for the purpose of providing funding for reductions
34 in property taxes, rental, telephone, gas, electric, and municipal
35 utilities charges of, eligible senior citizens and disabled residents
36 of the State, and for additional or expanded health services or
37 benefits or transportation services or benefits to eligible senior
38 citizens and disabled residents, in accordance with such formulae
39 as the Legislature shall by law provide. The type and number of
40 such casinos or gambling houses and of the gambling games which
41 may be conducted in any such establishment shall be determined
42 by or pursuant to the terms of the law authorizing the
43 establishment and operation thereof.

44 E. It shall be lawful for the Legislature to authorize, by law,
45 (1) the simultaneous transmission by picture of running and
46 harness horse races conducted at racetracks located within or
47 outside this State, or both, to gambling houses or casinos in the
48 city of Atlantic City and (2) wagering at those gambling
49 establishments on the results of those races. The State's share
50 of revenues derived therefrom shall be applied for services to
51 benefit eligible senior citizens as shall be provided by law.
52 (cf: Article IV, Section VII, paragraph 2 amended effective
53 December 6, 1990)

54 2. When this proposed amendment to the Constitution is finally

1 agreed to pursuant to Article IX, paragraph 1 of the Constitution,
2 it shall be submitted to the people at the next general election
3 occurring more than three months after the final agreement and
4 shall be published at least once in at least one newspaper of each
5 county designated by the President of the Senate, the Speaker of
6 the General Assembly and the Secretary of State, not less than
7 three months prior to the general election.

8 3. This proposed amendment to the Constitution shall be
9 submitted to the people at that election in the following manner
10 and form:

11 There shall be printed on each official ballot to be used at the
12 general election, the following:

13 a. In every municipality in which voting machines are not used,
14 a legend which shall immediately precede the question, as follows:

15 If you favor the proposition printed below make a cross (X),
16 plus (+) or check (✓) in the square opposite the word "Yes." If you
17 are opposed thereto make a cross (X), plus (+) or check (✓) in the
18 square opposite the word "No."

19 b. In every municipality the following question:

20
21
22
23 PERMITS USE OF STATE LOTTERY PROCEEDS
24 TO FUND PROPERTY TAX RELIEF FOR
25 ELIGIBLE SENIOR CITIZENS AS SHALL BE
26 PROVIDED BY LAW

27
28 YES. Shall this amendment agreed to by the
29 Legislature, to permit State lottery proceeds to
30 be used to fund, in addition to State institutions
31 and State aid to education, property tax relief for
32 eligible senior citizens as shall be provided by
33 law, be approved?
34

35
36
37 INTERPRETIVE STATEMENT

38
39 NO. This amendment authorizes the Legislature to
40 enact laws providing that State lottery proceeds
41 shall be used to fund, in addition to State
42 institutions and State aid to education, property
43 tax relief for eligible senior citizens.
44

45
46
47
48
49
50 Proposes amendment to Constitution to allow State lottery
51 proceeds to be used for property tax relief for eligible senior
52 citizens.

TABLE OF CONTENTS

	<u>Page</u>
Senator Randy Corman District 19	5
Florence McLain Parlin, New Jersey	6
Joseph Bellan Sayreville Board of Education	7
Marty Laedau Private Citizen	11
Ernest Hammer Parlin, New Jersey	12
Jerry Sacher Sayreville Board of Education	13
Stella Kosciukiewicz Sayreville, New Jersey	15
Bill Stelmaszek Sayreville, New Jersey	16
mjz: 1-18	

* * * * *

SENATOR JOSEPH L. BUBBA (Chairman): We are going to have a hearing, so we need your attention. We need your opinions. May I have your attention? Excuse me, may I have your attention? (audience complies) Thank you. All right, are we all set?

My name is Joe Bubba, and I am the Chairman of the State Government Committee in Trenton. We are here today to have a hearing on a constitutional amendment, something that will be placed on the ballot this year.

Now, how many here own their own homes? (members of audience raise hands) All right, the majority of you here own your own homes. Are you happy with your taxes -- your property taxes? (negative responses from audience) Who isn't happy? Let me see hands. (audience complies) Everybody else is happy? There were only a few hands up. All right, this guy put his hand up twice.

I need your attention, over at the table. I need your attention, please. I think if you listen to what we are going to say today, and you think about it, you will find that this is probably the most significant meeting you have ever attended in your life, or can be the most significant meeting you have ever attended in your life. I understand you are going to have a lot of your friends come in here at 12:00 for lunch. You ought to tell them what they missed, when they come here.

I have been in the Senate for 11 years. Several years ago, someone came to my office-- A senior came to my office and said, "I have worked hard all my life. Now I am at retirement age, and I cannot afford to live. I cannot afford to exist, number one. Secondly, I cannot afford to live today in the house in the community that I helped to build. Why?" Because their property tax spiraled to a point where it got out of control. When you attain the age of senior -- and I call that age 62 -- you are on a fixed income, for the most part.

Unless you have 200,000 or 300,000, or rich kids, it is a little bit difficult to make ends meet.

So, this person who came to my office said, "I don't mind paying my taxes. If we live in a great country like we live in, we ought to pay our taxes, and we ought to help our fellowmen. I am not against that. What I have a problem with is, when I am on a fixed income, I would like my expenses to be fixed. Now, that can't happen to everything. We can't fix the expense of bread; we can't fix the expense of milk, etc., etc. But one of the major portions of my bills -- one of the major expenses I have, is my property taxes. If you could help me to somehow fix that expense, then I could take care of myself."

Then this person -- who happened to be a senior -- said to me, "I don't want anything for nothing. I don't want you to do anything for me. I'll do it for myself. I can take care of myself. Just do what you are supposed to do as a government representative, and help the seniors. You can help the seniors by freezing property taxes."

In the discussion, in talking about property taxes, we talked about-- There are three aspects of your property tax: One is the municipal. Well, you use your sewer system; you use the water system; you use your streets; you use the police; you use the fire system. So maybe you have to pay your municipal portion, but it isn't a very big portion of your taxes.

Secondly, there is the county portion. Between the municipal and the county portions-- I don't know what it is here in Sayreville. Do you know the proportion?

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's 116.

SENATOR BUBBA: Is that 116 per 100?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Right.

SENATOR BUBBA: What does that amount to percentagewise of your entire tax bill?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Oh, 284 for the school; 116, and I think the borough is 80.

SENATOR BUBBA: Okay, so 116, 80, and 284?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Right.

SENATOR BUBBA: All right, so the 116 you are going to have to pay, because you live in town, you use the sewer system, etc. -- all of the town's utilities -- and the police and fire. The 84 is the county? (sic) That you are going to have to pay because you have county facilities, such as the jail, and whatever else you have in this particular county. The 284, the major portion of your taxes, is the school portion of your taxes. Now, let me tell you how we approach that:

When you moved into town and bought your house, maybe you had small kids, maybe you had no children, or then you went on to have your children. Let's say you were in your 20s. Your children went through the school system by the time you were in your 40s. You never complained about paying school taxes, because, what the heck, your kids were in school.

When you were in your 40s -- your age group when it was in its 40s -- for the next 20 years, until you reached your 60s, you pay your school portion of your taxes. Some of you complained, but everybody paid it, and you helped your fellow residents of Sayreville -- or whatever town you live in. You were earning a living, so you were able to pay. Now, in your 60s, it is a little bit more difficult. That is where I would like the State to step in and assist you.

You know, everybody talks about property tax relief; everybody talks about it. The real property tax relief would be to freeze your property taxes -- the school portion -- at the level it is when you become 62 years old. If I do that for you, that is the major portion of your taxes. If I freeze the major portion of your taxes, then for the most part I can say I did my best to make your expenses fixed -- a major portion of your expenses fixed.

That is what we are here today to talk about. I was unable, for eight years -- or nine years since I put this bill

in-- Nine years ago I put the bill in, and for nine years the other side of the aisle -- and I happen to be a Republican -- would not allow that bill to be heard.

I became very lucky last year, last November, when Randy Corman was elected to the Senate from this area. Randy gave me the opportunity to have a majority. I have been in the Senate for 11 years; Randy just got elected in November. It gave us the opportunity to start putting Republican initiatives on the table. This is a Republican initiative. I hope and pray that there are Democratic Senate votes for this bill, and for the companion bills, too, because I think it is that important. If you know any Senators other than Randy Corman, because he is going to vote for it-- If you know any Senators other than Randy Gorman, I suggest you call them up. I suggest you call them up and tell them that the seniors do need property tax relief; that the seniors need their property taxes frozen -- the school portion -- and they ought to be voting for this bill, and they ought to be voting for the video lottery bill, to pay the expense of this.

If you do that, you will be helping yourself. If you don't do that, there is not much I can do. All I can do is put the issue on the table, and ask Randy Corman to help me. Senator Corman has done a yeoman's job assisting me. Then we will get the bill to the full Senate for a vote. That is where we are headed. That vote will probably come before the end of June, or, at the latest, July 23. So if it comes before the end of June, you don't have much time to work on this. If it comes in July, you have a little bit more time, but it is going to be upon us in a minute, in a very short period of time. So you ought to get your act together and talk to Senators. If you want to know what their telephone numbers are, even if you don't know them, you ought to call them-- If you want to know what their telephone numbers are, just call Randy Corman. He will supply you with all the telephone numbers and all the

addresses, and will tell you who you should call and who you do not have to worry about. Randy Corman is the guy who will tell you how to do this.

Now, we appreciate you coming today. I would like to ask Randy Corman to address you, and then we will have a public hearing on this SCR-56. By the way, this public hearing is a constitutional requirement. We have to have this public hearing, and then vote on the bill so it can be placed on the ballot in November.

Senator Randy Corman. (applause)

S E N A T O R R A N D Y C O R M A N: For Mr. Bellan's benefit, there will be an opportunity for questions. Everyone who wants to speak will have an opportunity to speak.

I want to thank Senator Bubba, who has brought this Committee hearing to the Borough of Sayreville to give the people of Sayreville -- the seniors of Sayreville -- an opportunity to be heard on an issue as important as tax relief for seniors.

What we are talking about here is something that I have heard about ever since I got elected to the school board, and I have heard about it ever since I was on the council, and I still hear about it now that I am in the Senate. Seniors will say, "Why should I have to pay constantly skyrocketing school taxes? I have done my part. I put my kids through school. I helped to build the schools. Why do I have to continue to pay continually mounting costs?" That is especially harmful for seniors, because many seniors, while they may own their homes free and clear, are on a fixed income. They are property rich and cash poor. So it creates a-- It is a very great hardship for many seniors. That is something I think the Legislature ought to address.

The way this program would work would be as follows: If you are a couple that makes -- or, the income for both of you is \$70,000 a year, or if you are single and your income is

less than \$35,000 a year, and you qualify for a rebate, then you would be entitled to this new program. The way it would work is as follows:

Let's say next year's school taxes in Sayreville went up \$100. If you qualify for the program, you will get a check for \$100 for the difference your taxes went up. If your taxes went up \$150, your check would be for \$150. The idea would be to freeze school taxes for seniors. This way they would get-- At least there would be some relief. At least everything wouldn't be going up at a skyrocketing rate.

That is essentially the kind of program we are looking for. That is what we want to be able to put on the ballot this November. I think if we can get it passed in the Legislature, the people will support it, because all of you would have to vote for it. I think everyone else would be supportive of it, too.

That is essentially what we are looking for. I don't want to take up time and go on and on talking. This is a public hearing. This is something for the public, where the public can speak. Anyone who would like to speak is more than welcome to.

Thank you. (applause)

SENATOR BUBBA: Can everyone hear me from here? (affirmative response) What I would like you to do now-- If anyone would like to speak on SCR-56, I would like them to approach the microphone, give their name and address, and say whatever is on their mind. Come on up to the microphone.

FLORENCE McLAIN: Gentlemen: I was wondering--

SENATOR BUBBA: Please give us your name and address.

MS. McLAIN: My name is Florence McLain. I live at 77 Harrison Place, in Parlin.

What I was interested in, since you mentioned that time is so limited before this bill would be addressed, I was wondering if perhaps petitions would help?

SENATOR BUBBA: Well, anything you do that would stimulate people to vote for this, or for the funding mechanism for this, which is the video lottery, would be most helpful. Now, if that process is getting petitions and then photocopying the petitions and sending them to all the Senators, you know, that would be the way to do it. Whatever way you want to do it. Work with Randy. He will be more than pleased to assist you if you need petitions drawn up, or whatever.

MS. McLAIN: Thank you.

SENATOR BUBBA: Thank you.

J O S E P H B E L L A N: My name is Joseph Bellan -- B-E-L-L-A-N. I am a member of the Sayreville Board of Education at the present time.

SENATOR BUBBA: What is your address?

MR. BELLAN: My address is 30 Deerfield Road, Parlin, New Jersey.

I just found out about this hearing about five -- well, about 20 minutes ago, in Mr. Corman's office, so I am a little unprepared for this. However, I would like to try to get the basics of this particular bill.

I believe this bill-- I think, Senator Bubba, you had this in the Legislature for quite a few years. I believe the Sayreville senior citizens had circulated a petition in support of this bill. Now, is that petition valid at this particular point, or-- I don't know where that petition is, where it was filed, but it would--

SENATOR BUBBA: How long ago did they do this petition?

MR. BELLAN: I believe about two years ago.

SENATOR BUBBA: I wouldn't know where it would be at this point.

MR. BELLAN: At this particular point, then, in support of the bill, would it be advisable to circulate another petition among the seniors throughout the State, because there are quite a few seniors in this State?

SENATOR BUBBA: Yes, I think that would be worthwhile. In addition to that, I think phone calls would be a lot faster.

MR. BELLAN: The basics of this bill are: a means test of \$70,000 per family and \$35,000 for a single person. That is the only requirement? Does that include Social Security?

SENATOR BUBBA: It does not.

MR. BELLAN: It does not include Social Security?

SENATOR BUBBA: Right.

MR. BELLAN: Are there any other finances that are exempt from this bill -- from that \$70,000 or \$35,000 -- other than the Social Security?

SENATOR BUBBA: Well, it is-- The amount of money you earn at the present time that is noneligible for rebate, would be the same money. I would call that what you have to report on your income tax. That is the amount of money that is eligible, with the exception of Social Security.

MR. BELLAN: Minus the Social Security.

SENATOR BUBBA: Yes, with the exception of Social Security. I don't think you have to report Social Security on your income tax, do you? (negative response from members of audience) No, not yet; no.

MR. BELLAN: But seniors are paying on that Social Security.

SENATOR BUBBA: Well, that is another issue. All I am saying to you is that-- You know, I would like to cover why \$35,000 and \$70,000. Does everybody here know the limit of PAAD? Sixteen thousand if you are single, and \$20,000 if you are married. Is there anybody in here who knows how you can live on \$16,000 if you are single, or \$20,000 if you are married? You know, that is the whole point.

This bill, I think, is more realistic. There aren't very many of you who earn \$70,000 retired. But at least the

limits on the amounts of money that make you eligible have been raised to a reasonable level. It is going to be my effort, and I am sure Randy will help me, to try to get those other levels lifted well above the \$16,000 and \$20,000 levels, as well. But that is why \$35,000 and \$70,000.

MR. BELLAN: I was in favor of this bill when it was first introduced, and I am still in favor of this bill now, but I would like to try to get a little more details on it.

This bill would generate funds how?

SENATOR BUBBA: The bill doesn't generate funds. The bill spends money. The funds are generated in another bill -- Senate Bill No. 821 -- which initiates a video lottery. The video lottery would be a different type of lottery in the State of New Jersey.

MR. BELLAN: So that is where the funds for this particular program would come from?

SENATOR BUBBA: Yes.

MR. BELLAN: Now, there is overhead on this. In other words, some of that money would be given to the persons generating the money from the video games and so forth, and administration costs?

SENATOR BUBBA: Well, yes, there would be costs associated with the video lottery that will be taken care of by the people who profit from the video lottery. That has nothing to do with the money that is going to come for the seniors.

MR. BELLAN: Okay. So, then, the money you have from this revenue-- Is it going to be dedicated for a freeze on school taxes?

SENATOR BUBBA: Those are the magic words.

MR. BELLAN: After the bill is passed, what would be the-- Say if it is 280 now, this year's school tax, would the bottom line be a freeze at 280 on the school tax?

SENATOR BUBBA: That's what it would be.

MR. BELLAN: Is there a period after the bill is passed that this goes into effect, say, maybe, next year?

SENATOR BUBBA: It would freeze it at the level you are at now, if the bill passes right away.

MR. BELLAN: And if it is signed by the Governor.

SENATOR BUBBA: If it doesn't pass right away, who knows?

MR. BELLAN: And it will probably be overridden by the Legislature, right?

SENATOR BUBBA: I don't know; I don't know. I don't think there are enough votes for an override. I don't know that that is going to-- If the Governor vetoes this-- If the Governor is against seniors, he will veto this.

MR. BELLAN: Is there any possibility that with this money in the bank that some of this money could be skimmed off for other purposes?

SENATOR BUBBA: No.

SENATOR CORMAN: Mr. Bellan, that is why we need a constitutional amendment to constitutionally dedicate the money. If we don't, you know the way it has always worked in the past. If we don't, the Governor and the Legislature figure out a way to skim the money, just the way they skimmed the gross receipts tax. That is why we have to have the constitutional amendment on the ballot, so that people can put it right in the Constitution that any additional money that is generated by the Lottery Commission has to go to senior citizen property tax relief, and nowhere else.

SENATOR BUBBA: Amen.

MR. BELLAN: Okay. So, my bottom line is, I fully support relief for the seniors, and I fully support the bill. I will try to get petitions-- Oh, who should the petitions be addressed to, Randy Corman -- Senator Corman?

SENATOR CORMAN: My office can help you with the drafting of the petitions, and we will be happy to help print them up for you.

MR. BELLAN: When is the bill-- Is it in Committee now?

SENATOR BUBBA: This bill has been released from Committee -- the bill we are talking about.

MR. BELLAN: Right.

SENATOR BUBBA: SCR-56 has been released from Committee. At this moment, this is an official meeting. We are holding a meeting that is required by the Constitution. After this meeting today, the bill will then go to the full Senate for a vote.

MR. BELLAN: To the full Senate for a vote, and then-- Is there a companion bill in the Assembly for this?

SENATOR BUBBA: No. Then the bill goes to the Assembly. This solves the constitutional problem, this meeting today.

MR. BELLAN: If it is passed in the Senate, well, the Assembly, and then it has to go to the Governor, right?

SENATOR BUBBA: That's right.

MR. BELLAN: Thank you.

SENATOR BUBBA: Thank you.

Do we have anyone else who would like to speak?
(affirmative response from audience) Come on up.

M A R T Y L A E D A U: My name is Marty Laedau -- L-A-E-D-A-U. We rent an apartment. How will this affect us?

SENATOR BUBBA: Oh, you rent?

MR. LAEDAU: We rent. Let me add to that: More than half of my income, Social Security and pension, goes towards the rent.

SENATOR BUBBA: There is a formula that we will apply for renters, where you will receive the proportional amount of money that the owner receives, for that portion of your rent that is applied to the school portion of the taxes. It is a complicated formula, but it will result in your receiving your fair share.

MR. LAEDAU: Okay, thank you.

SENATOR BUBBA: Yes, sir?

E R N E S T H A M M E R: I don't know if you can hear me. Can you hear me?

SENATOR BUBBA: Oh, we can hear you.

MR. HAMMER: My name is Ernest Hammer, and I live at 56 Buchanan Avenue, Parlin. I am hard of hearing, so if you ask me anything, I am not going to be able to hear you.

I just want to say how I feel, all right? I feel there should be no tax at all for all senior citizens -- no property tax whatsoever. You have interest rates going down. You have property taxes going up. They keep taking from the fixed incomes. If you are working, you get an increase, so you can keep paying this stuff. But today, on a fixed income, you can't. If you can't do it for all senior citizens, I feel that the people over 70 should pay no tax, or no school tax. If that isn't good enough, five percent of your income as property tax. If you make \$40, that means you will only have to pay about \$2 in tax.

Years ago, only the rich paid a property tax. They taxed the rich because they had the money. But today, you have the poor, and you have the middle class. They haven't got the money like the rich. So I feel there should be no property tax whatsoever on people who own a home. It is a discriminatory tax against the homeowner. This should be put on the salary. What you earn you pay as property tax, not on a house.

There are people living in mobile homes, apartments. They have three or four working in a family and they make \$50,000, \$100,000, but they pay very little property tax. Yet, a homeowner has to carry the burden himself. This is disastrous on a lot of homeowners.

That is all I have to say. Thank you.

SENATOR BUBBA: Thank you.

SENATOR CORMAN: Thank you.

SENATOR BUBBA: Yes, sir? Come right up.

J E R R Y S A C H E R: Jerry Sacher.

SENATOR BUBBA: Jerry, you are the youngest looking senior I have ever seen.

MR. SACHER: Well, I'll tell you, there is a reason why I'm here, and I am going to run this by you. Jerry Sacher, 12 Jackson Avenue, Parlin.

SENATOR BUBBA: Jerry, I'm sorry. Jerry Sachel?

MR. SACHER: Sacher -- S-A-C-H-E-R -- 12 Jackson Avenue, Parlin. I am also a member of the Board of Education in Sayreville.

I found out about this bill you have proposed, and I said to myself, "Thank God, they have finally taken the bull by the horns here." I understand that this bill is going to freeze the property taxes, well, basically the school taxes. Now, with 66 percent of the taxes in this town going towards the school budget, and the school budget is constantly being defeated -- most towns have a fairly good record of defeats on their school budget -- you obviously can't expect people to keep voting for something that is going to put them out of town.

Now, we have had seniors in this town, and in every town, who have worked all their lives. They put their kids through school. They want to stay here and they want to see their grandkids go to school, and they are getting taxed out of town. This freezes the taxes, and I agree with the intent of that. Myself, I would like to see another funding formula that funds schools, per se, because even freezing the taxes it is a burden. It is a burden for everybody, but it just becomes such an oppressive burden for somebody on a fixed income.

Then you sit up at the School Board and you wonder why their budgets keep going down in defeat. Well, how can people keep voting for something that they can no longer afford? Everybody recognizes education for what it is. You have to have education. The whole funding for education is wrong when they start. You have an address and they can mail you a tax

bill. I have always felt that that is no way to tax -- or to fund a school formula.

I'm glad you guys are taking the bull by the horns. I'm glad you are dedicating, and you will make sure that this money is dedicated, because with what goes on in Trenton, what goes on in Washington-- They get ahold of a fund, and all of a sudden they start throwing in little perks, and everybody wants to get their hand into it. It is a step in the right direction. It is an innovative way, as far as the video lottery. I can see it coming. It may take a while to get it through. There has been some opposition to it. It is something that is down the road. If you can dedicate the funds for it now, I would be all in favor of it. We need some help in funding education.

That is all I would like to say. Thank you.
(applause)

SENATOR BUBBA: Just let me say to the two people who serve on the Board of Education, I served four years on the Board of Education in Wayne. I'll tell you this: After at least one term, you go directly to heaven. You don't have to go to purgatory or anything, because you are doing your purgatory right now. I applaud the efforts you make.

You are absolutely right. The key votes in a community for or against the budget are seniors', and it is a pocketbook issue to them.

MR. SACHER: Well, one other thing I wanted to mention, you wondered why I am the youngest one here-- I have two kids in school. I am getting my money's worth because they are going through school now, and they are in the public school system. But what happens, like, 20 years down the road? We're talking 20 years down the road after they have gone through this. I mean, there has to be a stop somewhere, because you just can't keep-- The spiraling costs have to be controlled.

SENATOR BUBBA: Thank you.

Do we have any other people who would like to speak?
(affirmative response from audience) It's a long walk, huh?
(from audience to witness table)

S T E L L A K O S C I U K I E W I C Z: Yes. My name is Stella Koscivkivwicz. I live at 171 Pulaski Avenue. I am 78 years old.

SENATOR BUBBA: Stella, would you do us a favor? Would you spell your last name, please?

MS. KOSCIUKIEWICZ: K-O-S-C-I-U-K-I-E-W-I-C-Z.

SENATOR CORMAN: It is spelled just the way it sounds, Senator Bubba. (laughter)

SENATOR BUBBA: You're 78 years old? God bless you. You look younger than Randy Corman.

MS. KOSCIUKIEWICZ: I have been a widow since '66. My income is \$7000. I don't owe anybody any money, but my property tax kills me. I rely on my rebate. I like everything about this bill, except one thing: At 62, that is when you should freeze. I would like for widows, to roll it back to 62. Then I would be happy.

SENATOR BUBBA: Well, if we can find the money, maybe we will be able to do that. Thank you.

Is there any other person who would like to speak?
(indiscernible response from audience) Just one moment. Let me see if there is someone else, before you come up again. Is there any other person who would like to speak? All right, come on up.

MR. BELLAN: I already spoke my position on this bill, but I would like to get an introduction to the people who are here at the table, and their phone numbers. Who is the legislative aide for this particular bill?

MR. CARROLL (Senate Majority Staff): I'll give you my card after the meeting.

MR. BELLAN: What is your name?

MR. UNGRADY (Senate Minority Staff): Emery Ungrady. I work for the Senate Democrats.

MR. BELLAN: Okay. In the Annex, on the third floor?

MR. UNGRADY: Well, we are in the new South Addition.

MR. BELLAN: Oh, the new one. Okay. And your name?

MR. CAPALBO (Committee Aide): My name is Joe Capalbo. I am with Legislative Services, and I will give you my card after the meeting, also.

MR. BELLAN: Senator Bubba, I have your card, and I know Randy. And then there is the transcriber. Okay, thank you.

SENATOR BUBBA: Thank you very much. I appreciate your coming out today. I would ask you to talk to your friends as they come in for lunch today. Tell them how important this bill is. Tell them that in order for them to realize any success in this, they are going to have to call some Senators, and they are going to have to petition for this bill to pass.

Yes, sir?

B I L L S T E L M A S Z E K: I'm sorry I'm late. I have been thinking something over. I only have a couple of things. My name is Bill Stelmaszek. I am from Pulaski Avenue in the Borough.

SENATOR BUBBA: I'm sorry, I didn't catch your name.

MR. STELMASZEK: Bill Stelmaszek.

SENATOR BUBBA: Please spell it for us.

MR. STELMASZEK: S-T-E-L-M-A-S-Z-E-K, and I am from Pulaski Avenue in the Borough.

The first thing that is on my mind is, I heard something about a video lottery. Let's keep the lotteries down in Atlantic City, not anyplace else. I can't see that. There is enough gambling in this State to begin with. We don't need any more.

SENATOR BUBBA: Well, how do you feel about property tax relief? That is what this hearing is about.

MR. STELMASZEK: That, I can see. I can see that part, yes.

SENATOR BUBBA: Would you be in favor of it if you knew the money was coming from the--

MR. STELMASZEK: I don't want any gambling.

SENATOR BUBBA: If there is no video lottery, there can be no property tax relief. Are you ready to accept that?

MR. STELMASZEK: Yes, I am.

SENATOR BUBBA: I thank you for your testimony.

MR. STELMASZEK: I have one more point I would like to stress. We seniors, when we get a raise, we get a raise of about 1.2 percent, 1.3 percent, or 1.5 percent. Now, I heard a lot of talk here about the Board of Education. The Board of Education in South River had to-- I believe they were going to cut something like \$163,000, or something like that. They brought it down to \$78,000, because the Board, or somebody there, was going to make a case out of it and appeal it, and they didn't want to go to court.

Now, a lot of this money, as far as I am concerned-- When they have a budget on the Board of Education, I read in the paper 7 percent, 8 percent, and 9 percent for the teachers; zero percent for our little kids who are going to school.

SENATOR BUBBA: All right. Let me interrupt you.

MR. STELMASZEK: Go ahead.

SENATOR BUBBA: I think your comments are well placed before the Board of Education. This is a public hearing on the freeze for senior citizens from age 62. Your comments today should be confined to whether you support or do not support the freeze on senior citizen property taxes.

MR. STELMASZEK: I'll support that part.

SENATOR BUBBA: I think you said you supported it. I cannot accept the comments about your school system. You will have to go to your Board of Education for that. All right?

MR. STELMASZEK: Okay. Let's not bring anymore gambling here. We've got enough now. You've got lotteries; you've got Atlantic City; you've got the whole bit.

Thank you very much.

SENATOR BUBBA: Thank you very much.

If there is no one else, I will ask for an adjournment of the public hearing. I thank you all very, very much for your attentiveness, and for your courtesy. I hope to see you all again sometime.

(HEARING CONCLUDED)