

P U B L I C H E A R I N G

before

SENIOR CITIZENS TAX STUDY COMMISSION
(Created under Joint Resolution No. 16, 1968)

Held:
February 4, 1970
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMISSION PRESENT:

Assemblywoman Josephine S. Margetts (Chairman)
Senator Wayne Dumont, Jr.
Senator Richard J. Coffee
Assemblyman William E. Schluter
Norval W. Beeson
Frank L. Heyman

* * * * *

I N D E X

	<u>Page</u>
Earl H. Dean Pennington, N. J.	2
Carmen J. Armenti Mayor, City of Trenton	12
Charles Bodenshtab, President Willingboro Friendship Guild	28
Jack Volosin International Representative Retired Workers - UAW	34
J. W. Hoffman Executive Assistant New Jersey Division on Aging	40
Edward L. Donohue Executive Director Camden County Office on Aging	55
Carl F. West Mercer County Office on Aging	62
Mrs. Patricia A. Wills Councilman, Matawan Township	67

ASSEMBLYWOMAN JOSEPHINE S. MARGETTS (Chairman): Good morning, ladies and gentlemen. I don't know whether I need this microphone. We have a small group this morning and I hope it's on account of the weather and not a lack of interest in this very serious problem we are considering today.

The public hearing will now come to order. This hearing is being conducted by the Senior Citizen Tax Study Commission which was created by Joint Resolution No. 16, 1968. The Commission is charged with the duty of reviewing and evaluating the existing laws, programs and proposed legislation concerning taxation of our senior citizens. And it is also charged with the responsibility of recommending a practicable and equitable policy for this problem of our senior citizens.

I would like to present the members of the Commission who are here today. On my left, Senator Dumont; next to him, Mr. Norval Beeson; and next to him, Mr. Frank Heyman; on my right, Assemblyman Schluter. Our Secretary is Tom Bryan, here in the front.

If there is anyone here who has not notified us that they would like to testify and you would like to testify today, would you please come up and give your name to Mr. Bryan. And if you have any written testimony or reports, would you please submit them to the Commission.

As I call on you, and I will call you in the order in which you came in this morning, would you please come to the microphone here in the front and give your name and

your position or any organization that you might be representing.

The first witness is Mr. Earl Dean of Pennington.
Mr. Dean.

E A R L H. D E A N: Really, I feel I don't need a microphone with the group here now. I have been puzzled a little bit as to why I am here. I did talk with Mr. Schluter, the man at the end of the table here, at my left, and he suggested that I testify here.

My name is Earl H. Dean. I retired - in a sense you might say as a State employee, it was a State College - in January of 1959.

I have had several experiences with people. I have had a lot of my own. I made a comment here a moment ago about a thing that doesn't strike me just right and that is if I talk I am seemingly squealing about myself. I don't mean it just that way. I am aware that there are many people in a far worse condition than I am. But if I squeal, may I repeat to you a comment that my father so often said, and that is, "The wheel that squeaks is oiled but the others are oiled too." So please accept what I say in this respect that I, in a sense, represent a group of people that have retired.

Since retirement which was based - the pension was based on the salary that I received and the years that I had served. It then became fixed. I had to place that against increasing taxes, increasing living expenses, increasing costs of repair on my home. It has gotten to the place where

I cannot keep my own home in repair.

My taxes, since I retired, have increased slightly over 123%. My home, over a year ago, should have had some repair. I cannot repair it because I do not have the wherewithal to repair it.

I wonder if the government isn't cutting off its own nose to spite its face, or that which will spite its face, because though through inflation my property would probably sell for more than what it would a short time ago, yet, in truth, my property is degrading, going down, losing, it is depreciating, and will it not get to the place where it depreciates so much that the government is losing ratables on my property because of it. I wonder that.

I have heard various statements by people that when a person retires he shouldn't pay taxes. In the middle of January I heard a young man who had just been married last summer - I think because of that he felt the obligations, more obligations; he had assumed the responsibility of someone else - he said, "suppose during my productive years I accumulate property where I have to pay \$1,000 a year in taxes and then I live ten years after I retire? Do you know I have to save \$10,000 just to pay taxes?" At first I thought of his position, then later I thought of my own. If I live the average life of my father, my grandfather, and my grest grandfather, who was born two years before George Washington died, I still have 26 years to be around here. If I have to pay the regular property tax, we might say the taxes that include state, county, school, local;

pay the federal income tax, the internal revenue tax, sales, excise tax; there are also a number of other taxes; it might be well for me to say to the government, take my property and let me live on welfare.

Now, frankly, I don't think of that seriously, just that way, I think there are several things that would be against going on welfare or something of that kind, but I think that I will have to pay far more than the value of my property in taxes the rest of my life.

I have heard several recommendations that should go before - or should I say, should be adopted. I have heard an elderly person shouldn't pay a school tax because he doesn't use a school. I have heard, and frankly I have thought of it a little more seriously, that taxation should be prorated so that when a person retires he pays the same percent of tax as he would get the percent of salary, that is his pension, what he would get there. Truly, I think more seriously of that than the others.

I feel that whatever you do has got its pitfalls, its - oh, shall we call them bugs? I think what has happened is something like when a new model of an automobile comes out, the first one that comes out has some bugs in it and for a short time they may even call them back to correct them. I think that's what has happened. I think we're in a state of change and it's got to be worked out.

I am not a statistician. I can ask a lot of questions I think that I don't have the answers for. I think they've got to be worked out. But I think the whole thing, as it is

now, has placed the retired person in a squeeze, and I think that relief has got to be brought out somehow or we're going to suffer.

Thank you.

ASSEMBLYWOMAN MARGETTS: Thank you, Mr. Dean.

Are there any questions?

SENATOR DUMONT: Mr. Dean, did you say you had previously worked for the State of New Jersey?

MR. DEAN: That's right. I was at the College.

SENATOR DUMONT: How many years were you with the State?

MR. DEAN: Thrity-two and one-half years.

SENATOR DUMONT: Did you benefit at all from that pension bill that was passed, I think, last year?

MR. DEAN: Pardon me, I am grateful for anything that I may receive. However, what I get from that pension bill is already, in increased taxes, consumed. So, in a sense, I am a little bit resentful.

SENATOR DUMONT: The \$80 credit that I presume you receive on your home has long since been erased by the fact that the taxes have risen so much, is that right?

MR. DEAN: That's right.

SENATOR DUMONT: You live in Mercer County.

MR. DEAN: In Pennington, yes.

SENATOR DUMONT: Is there any county office for the aging in Mercer County, that is, is there any agency at the county level of government that does anything about senior citizens in Mercer County?

MR. DEAN: Not to my knowledge.

SENATOR DUMONT: Well some counties have them and I just wondered if Mercer did.

MR. DEAN: I don't know about it.

SENATOR DUMONT: You've probably heard of all these proposals that are before our Commission and before the Legislature from time to time --

MR. DEAN: No, I haven't heard of those. All I have is, first, a letter that I received from Mr. Schluter asking if I would be willing to appear, and then the invitation.

SENATOR DUMONT: Do you get this "Added Years" publication?

MR. DEAN: I do.

SENATOR DUMONT: Well, you will find them listed on the third page of the January, 1970, issue which, I take it, is the last one put out. They are listed generally under the heading of "Taxes" and it mentions this Commission and then lists 9 different proposals before the Legislature.

I don't know whether I ought to take the time to review all of these with you. I just wondered if you had any particular preference, as an individual senior citizen among them, because there are some that provide for tax deferrals - which means there wouldn't be any payment of property tax until the time of death, as I understand it, and then it would come out of your estate, if your estate could afford it, that is, to go back and pay the taxes that had accumulated over the time that you lived but which were

not paid during those years. And there are others that would amend the Constitution in various ways, either to increase the present tax credit or to limit the tax bill on any dwelling to 7% of gross annual income; to freeze the property taxes attributable to school costs; and so forth. And I wondered if you had any particular preference among those, as a senior citizen, assuming that one of them could get through. But if you hadn't had a chance --

MR. DEAN: You're listing something there that I'm not able to even offer an opinion on.

SENATOR DUMONT: Well perhaps you ought to take a look at this last issue of "Added Years", look at the proposals that have been made and --

MR. DEAN: I might tell you I don't know whether I have that or not. With that periodical, that I get, I usually read that from beginning to end.

SENATOR DUMONT: Well this particular issue lists the things that were done by the 1969 Legislature and then also the other proposals that are before the Legislature in the new year, 1970.

MR. DEAN: Can you tell me how long that has been out?

SENATOR DUMONT: Well I would guess I've had this issue maybe ten days or something like that. I can't recall exactly when it arrived.

MR. DEAN: I don't recall because, as I say, I usually read the "Added Years" throughout and I don't recall it.

SENATOR DUMONT: Thank you, Mr. Dean.

MR. BEESON: Mr. Dean, do you get the \$80 tax exemption?

MR. DEAN: No.

MR. BEESON: Then your income is over \$5,000 a year.

MR. DEAN: Yes.

MR. BEESON: I would like to call your attention to a bill pending here to exclude from income for property tax deduction any social security benefits.

MR. DEAN: The social security is a little bit odd with me. During the Christmas vacation of 1956 I had a very, very thorough medical examination and at the conclusion of it, the examination assumed that - well, the doctor told me, "Your alimentary canal is inflamed for an ulcer." and he said it would take about two years to correct it. However, at the end of two years I was in a far, far worse condition than when I took the examination and I did have to just quit work. I should have gone a good many years longer in the work but I couldn't do it. Therefore, I did not get full benefit from social security from the State.

MR. BEESON: If the social security benefits you received were excluded from income then that would bring your income below \$5,000?

MR. DEAN: Oh, yes.

MR. BEESON: Then you would be entitled to the property tax exemption.

MR. DEAN: Maybe I misunderstood your question.

MR. BEESON: If your social security payments that you receive, if they were exempted, the same as the Federal Government does, then that would bring your income below \$5,000 and entitle you to the property tax exemption.

MR. DEAN: Now I must say this, I don't hold out

at all. I think that it would. However, I do have other income than those. For instance, I have made some savings. I get interest on things of that sort. And I have part employment, right now. All of that together does make my income more than the \$6,000.

MR. BEESON: Thank you, Mr. Dean.

ASSEMBLYWOMAN MARGETTS: Are there any other questions?

MR. HEYMAN: Mr. Dean, how do you feel about that deferred tax on property that the Senator spoke about?

MR. DEAN: I would avoid it very much, myself, because - now this is personal, I think, - I do not like to see anything deferred. If I have an expense now, I want to take care of it now. I don't want to have the thing hanging over me. To me, it would be a worry and I don't want it.

MR. HEYMAN: Well, if you were in a position where you really couldn't pay your taxes, do you think that would help, if it was deferred? It would give you that much leeway.

MR. DEAN: I don't know. That's a new thing to me.

MR. HEYMAN: I was just wondering.

MR. DEAN: But, right off, I hesitate.

MR. HEYMAN: Thank you.

ASSEMBLYWOMAN MARGETTS: Any other questions?

ASSEMBLYMAN SCHLUTER: Mr. Dean, I have two questions. You spoke about inflation in general, and in your particular situation you have several areas of cost which might be

classified. For example, you have basic necessities, you have your home improvements, you have clothing, medical, and then you have local property taxes. What would you say, of that group or that classification of costs, is the one that has gone up most sharply since you have retired?

MR. DEAN: Food.

ASSEMBLYMAN SCHLUTER: Moreso than local property tax?

MR. DEAN: Yes.

ASSEMBLYMAN SCHLUTER: Because you indicated local property tax has gone up 123%.

MR. DEAN: May I give one example. I was prescribed by the doctor to eat lamb chops. When he first made his prescription I could buy lamb chops for 39¢ a pound. Very soon after, however, it went to 49¢ a pound. Yesterday afternoon I saw some lamb chops in a store and they were \$2.09 a pound.

ASSEMBLYMAN SCHLUTER: You say that food, in total, has gone up more than have your property taxes.

MR. DEAN: No, I shouldn't say that. I don't think that's true. I think my property tax has gone up, oh, yes, more than my food, considerably.

ASSEMBLYMAN SCHLUTER: And I would like the record to show that Mr. Dean has been the Secretary to the Board of Health and Sanitary Inspector of Pennington for the last seven --

MR. DEAN: Six years.

ASSEMBLYMAN SCHLUTER: Six years. But the supplement

there to his income has been very, very minimal and certainly, I am sure, has not made up for the increase in various costs.

MR. DEAN: I am happy to say I got an increase of \$100 this year.

ASSEMBLYWOMAN MARGETTS: Mr. Dean, if the ceiling on earned income would be raised, that would certainly be a help to you. You say you are working part time now?

MR. DEAN: Yes, I am, but the ceiling, as far as I'm concerned isn't paramount; it wouldn't change things for me.

ASSEMBLYWOMAN MARGETTS: Thank you, Mr. Dean.

One more question from Senator Dumont.

SENATOR DUMONT: Mr. Dean, do you know how much you expend at 3% on sales taxes for the items you buy in the course of a month or a year?

MR. DEAN: I haven't kept track of it, no.

SENATOR DUMONT: But you do buy items that are not on the exempt list, that is, you buy things other than food and clothing and medical and dental care.

MR. DEAN: Oh, yes. I go to the hardware store and buy something and I pay a tax on it. If I go to the drug store to buy something, I pay a tax on it.

SENATOR DUMONT: This increase, then, to 5% will hurt your pocketbook, as a senior citizen.

MR. DEAN: It certainly will.

SENATOR DUMONT: Thank you.

ASSEMBLYWOMAN MARGETTS: Thank you, Mr. Dean.

Mayor Carmen Armenti of Trenton, may we hear from you.

C A R M E N J. A R M E N T I: Assemblywoman Margetts, Senator Dumont, Senator Coffee, Assemblyman Schluter, and gentlemen, first of all I want to thank you for allowing me to participate this morning on such short notice, but the plight of the senior citizen is one that I am sure all of us are concerned with. From the outset, I must say that I don't know of another group that has been studied and restudied as much as the senior citizen except possibly the minority groups in this country. And you know, as well as I, that it reached a crisis stage before we were able to do anything about it and I wonder if we have found any solutions to this point

I want to say that I have a very basic and simple recommendation as far as the senior citizens are concerned, and I would like to present this to you for your consideration.

In most all programs that municipalities participate in with the state and federal government, the municipality is asked invariably to put up a matching share, whether it be 10%, 20% and sometimes a direct matching share, directly related to the appropriation given by the state and federal government. The City of Trenton does have a senior citizen program, as well as the Mercer County Government, a very effective one, they've done a very fine job, I get the impression that many of the senior citizens do not know that

it is available both on a county level and on a municipal level. I also get the impression that many of our older citizens are confused about the maze of programs, where to go and how to participate. And I feel that the plight of the older citizen is one of pure and simple economics.

The gentleman before me, Mr. Dean, who spoke so eloquently about the concern and problems of the older citizen, pointed out that, at least at my level, the local level, the property tax has just about wiped out any benefits they received in the past or hope to receive in the future, as Senator Dumont I think was trying to point out the increase in the sales tax. There is no question in my mind that the sales tax is going to directly affect those citizens who can afford it least.

The State of New Jersey says to the municipalities and mandates that we give an \$80 exemption to older senior citizens. Now what I'm suggesting here is that the State of New Jersey, as well as the Federal Government, match that \$80 exemption as we do in urban renewal, in recreation, in roads. In this way, there is a direct benefit to the senior citizen; he knows he's going to get, instead of an \$80 exemption, which is practically nil in this day and age and hasn't changed for so long, he is going to receive a \$240 exemption if the State and Federal Government participate.

I am suggesting a three-way partnership on behalf of older citizens in New Jersey, between the Federal Government, the State Government and the Municipalities. And I am also hoping that the municipalities, if this were to come to pass, would increase that \$80 exemption to one that would mean additional and meaningful benefit to the senior citizens.

We're doing some things as far as hot lunches, recreation activities, trying to keep the older citizens busy with their idle time, but these are just fringes and, in the final analysis, it's trying to pay their obligations - now, they want to, - to government, their taxes and the clothing and food that they must have to survive.

I suggest this to this Committee and I commend you for your efforts. This is one program long overdue for your consideration.

Thank you.

ASSEMBLYWOMAN MARGETTS: Thank you, Mayor.

You indicated that there is a lack of communication in many cases with our senior citizens. Have you any idea how that might be corrected?

MAYOR ARMENTI: I get the impression that there are many senior citizens who do not have sons and daughters or family. They just haven't been, as yet, oriented to the county center, which does a great job, or the municipal center. I think they're confused. I get the

impression that they feel it's a lost cause, that nothing will come about it anyway. Although they like to participate in the hot lunches and we have sing-along programs and we provide passes and tickets for recreational activities, they're more concerned, in the back of their minds, as to how they're going to meet that food bill and the rent bill and the taxes, in the final analysis. I think there are a lot of people trying to do a lot of things but I think the real concern and the thing that would make the most impact is a direct financial contribution in the way of tax exempt properties, in tax exempt status. The \$80 thing hasn't been - I don't think it was long after it was passed, and I know of Senator Dumont's efforts over and over again on behalf of the senior citizens and I must commend him for this, but there has to be now a new look at this problem. Where everything else has increased, the inflationary period, food, clothing costs and now the sales tax, the exemption has stayed the same and it's impossible for the older citizens, who have given us so much in this State and this Country, to be given a fair break. And they deserve this. And I think we have the people who can say yes to this thing, say yes to these exemptions. It's about time we met our obligation and did something about it.

ASSEMBLYWOMAN MARGETTS: Are there any questions?

SENATOR DUMONT: Have you, Mayor, passed on your recommendation, so far as the federal government is concerned,

to Congressman Thompson, for example, and to the representatives at the national level from New Jersey?

MAYOR ARMENTI: Yes, Senator. I also serve as President of the Conference of Mayors in the State of New Jersey and we are putting a program together directly related to the senior citizens' problems. I also testified before Senator Williams' Commission, several weeks ago, on the plight of economics with the older citizen. As far as I know, this proposal I know is very simple, is very basic. I don't say it's that simple to do what I'm suggesting but I think that the emphasis has to be in that direction that I suggest.

SENATOR DUMONT: Well your point is, too, that if we were to increase the \$80 tax credit by constitutional amendment that the State ought to pick up the additional out of the State Treasury and not pass it on to municipalities. As a matter of fact, I had a report on that last year that indicated it would cost municipalities \$10 million to increase it from \$80 to \$150, I think is what the proposal I made would do.

MAYOR ARMENTI: This is a total of all the municipalities in New Jersey.

SENATOR DUMONT: The entire State, right.

MAYOR ARMENTI: And I feel that this is a small price to pay to realize and bring about these benefits. As you know, most programs emanating from the State, the municipalities are more or less mandated to pick up this

tab with no financial guarantee that the monies will be forthcoming. I realize the gentlemen in the Senate and Assembly have their problems with this legislation but, nevertheless, it's the municipalities and then, indirectly or directly, the senior citizens who have to pick up this tab. It was interesting to note just the other day the request for full-time prosecutors was brought about and I agree that this is what should be done; nevertheless, the full-time prosecutors, the financial tab will be picked up by the counties and the cities again would have to participate in that type of legislation, and then the senior citizen would have to participate again in additional taxes.

SENATOR DUMONT: Now this particular issue of State Government News, dated October of 1969, indicates that in September of 1969 President Nixon signed what is known as The Older Americans Act and that the Federal Government now, instead of contributing \$25,000 minimum to the States for operating cost of the state agency on aging, would increase that to a minimum of \$75,000; and also that the rate of participation, instead of being dollar per dollar between the State and Federal Government, would be increased to 75% federal and 25% state. In reading through on this item I don't notice where it provides any direct help to cities or counties, however, in the type of program you're administering. Have you learned of any?

MAYOR ARMENTI: No, I haven't. I'm hopeful that somewhere in this new federalism that there is a little bit left for the cities and especially for the senior citizens. It's just inconceivable to me, the many senior citizens in this country and the money spent in direct contributions to these senior citizens is just not equitable.

SENATOR DUMONT: It does say that since 1965 more than 1,000 community projects have been funded through Title 3 of the Older Americans Act. I don't know whether those are special projects or whether the type of agency you have qualifies for any help of that kind or not.

MAYOR ARMENTI: We do. And our agency is funded partially through the State of New Jersey. And I'm saying that these programs are good but the benefits - when we're talking about the older citizens, their main concern is one of economics, an economic concern. I think we ought to continue what we are doing and expand upon the programs that we have to see that the older citizens, many of them without families or relatives, continue to participate. But my main concern, and I'm sure the concern of the older citizens, is one of economics and not being able to meet their obligations to participate in our society.

SENATOR DUMONT: Do you have any personal preference for any of these various solutions that are before the Legislature now?

MAYOR ARMENTI: Again, not to try to oversimplify the problem, I would support any legislation that meant a

direct financial contribution to the senior citizens.

SENATOR DUMONT: Without it being passed on, of course, to the municipal treasury by legislation.

MAYOR ARMENTI: That's right, yes.

SENATOR DUMONT: Thank you very much for your kind comments, Mayor, I appreciate them and I think you're right that we do have to take a new look at this whole thing.

MAYOR ARMENTI: Thank you very much.

SENATOR COFFEE: Mayor, I think that you were quite modest when you spoke briefly about the programs that you have under way within your own city in cooperation with the county office here in Mercer.

You touched just briefly upon your feelings about the two cent increase in the sales tax. I would like you to be a bit more specific and speak and represent as best you can the broad citizenry but particularly at this moment the senior citizens of the City of Trenton and the reactions you get as their Mayor, from them, when the matter of the sales tax increase comes up for discussion. Now I say this because I also live just outside your city. I know the reaction that I get and the concern that they express to me, but I think that it's more important that the Mayors of older cities, like yourself, speak out for the simple reason that when we look at the population of senior citizens, statewide, the greatest portion of those senior citizens live in the older cities and they are

trapped in neighborhoods and in homes that now they can't even afford to sell because they can't get a decent price for them, and the fact that real estate property taxes appear to rise more sharply in the city areas. Again, this is a double burden upon them.

Could you be more specific about the reactions you get from senior citizens in your city with regard to the two cent increase in the sales tax?

MAYOR ARMENTI: Well, Senator, I'm sure you're aware, as well as all of the other elected officials, that whenever there is an increase in anything you blame it on the Mayor, he's the closest one to the people on the local level. And I found where the main concern was property taxes the attitude has shifted and they're saying, "Carmen, what's the idea of increasing our sales tax? It's bad enough now." And they are really concerned about this and I tell you very frankly - and Senator Coffee, I know, has pointed this out before - I did not realize the concern of the senior citizens in regard to the sales tax. Evidently they do buy many of the non-exempt goods that involve sales tax and the reaction is one of despair and concern and, here we go again, in addition to our property taxes we're being hit with an addition to the sales tax.

I did not mean to overlook the many fine programs that Mercer County has in the area of senior citizens, and Carl West is the Director and I know what your efforts were in establishing this center. But, again, Senator, the point

I'm trying to make, the programs as good as they are and as well as they're performed do not have the impact on the concern of the senior citizens from a financial point of view. All of the good things that we're doing in that area are washed away because the senior citizens are not able to meet their financial obligations. But there is great concern about the sales tax, not only the senior citizens but the citizens in my City. I'm hopeful, and Governor Cahill was gracious enough to talk to the mayors of the cities, and I will support an income tax program rather than the sales tax; I just cannot support the sales tax program because there is no question in mind, it affects adversely the people who can afford it least, and I am hopeful that something can be done to change this.

Right now the chief concern -as I mentioned earlier in my remarks, we've had study after study and I think the retort by the senior citizen would be that we need financial help, we appreciate all of the other fine programs but we have to do something about meeting our financial obligations. And I find that most of the senior citizens are durable, they're concerned about their cities, they're concerned about their state, they're concerned about their country, their America, and I don't think it's too much to ask the people who make up government, elected officials, to see that we do something about it rather than just another rehash, another restudy of their problems.

ASSEMBLYMAN SCHLUTER: Mayor, I have a couple of

quick questions.

I think the record shows from the previous witness that there was no county office on the aging and I wonder if you can clarify that. I think there is and perhaps you could clear this up.

MAYOR ARMENTI: That's exactly my point. Here is a fine gentleman, very astute, very eloquent in his remarks, a very knowledgeable older citizen but he was not aware of our county center. So there is a lack of communication, something that we must try to straighten out. But evidently we're not getting to all senior citizens.

ASSEMBLYMAN SCHLUTER: I find this to be very true. Is this center run by the Board of Freeholders?

MAYOR ARMENTI: Yes, it is. Carl West does a magnificent job as Director. It's located on Broad Street, right in the center of town, easily accessible by bus, and this is where senior citizens can pick up information about programs and legislation that has been suggested. But again I do detect a feeling of, well, maybe I'm confused and maybe I'll embarrass myself if I go down and ask questions about my problem, that type of thing.

ASSEMBLYMAN SCHLUTER: Would you say hopelessness?

MAYOR ARMENTI: No question about it, no question about it.

ASSEMBLYMAN SCHLUTER: Mayor, in your suggestion

that there be a three-way participation in property tax relief, obviously you're aware that for any federal participation that would have to apply to all of the fifty states. Would you favor the State equalling the local share, even without the federal participation?

MAYOR ARMENTI: I think that would be a great beginning. They're doing it on the guaranteed income for public assistance people. There is no question that this problem is one of national concern. I don't think we can do it on what state has the most senior citizens. I think we have to do it on a national level. And the problem of the older citizen is just as important a problem as any citizen or any group in this country and one that's been overlooked too long. There has been much talk about the problems of the older citizen and there has been much talk about many other groups but it seems that the older citizen - and I know there are many people working very hard in their behalf, but things just haven't come to pass for the older citizen. We only get concerned about the senior citizen problem when there's a crisis problem. What I'm suggesting, Assemblyman, is that we pinpoint the suggestions that have been presented to this Committee and come up with some meaningful legislation that would help the senior citizens.

ASSEMBLYMAN SCHLUTER: Mayor, do you know the total amount, in value, of the \$80 exemption in the City of Trenton?

MAYOR ARMENTI: It amounts to approximately \$350,000.

ASSEMBLYMAN SCHLUTER: \$350,000. So actually, in a sense, the senior citizens who get this credit, since the City itself must provide the \$350,000 from other revenue, are a part of making up that balance in their property tax.

MAYOR ARMENTI: They're paying for their own exemption is what it amounts to.

ASSEMBLYMAN SCHLUTER: Not fully but partially.

MAYOR ARMENTI: Sure.

ASSEMBLYMAN SCHLUTER: Mayor, are you familiar with the particular proposals offered by the 12th Report of the State Tax Policy Commission whereby they advocated less exemptions to the sales tax, as a matter of fact I think eliminate most exemptions, but then having a system of rebate for all citizens to make up the theoretical exemptions that these people would be entitled to, according to their means.

MAYOR ARMENTI: I don't know what that would mean to the older citizens but, and I may be wrong, I doubt very much that it would have the direct impact of again a matching share of the State and Federal Government, along with the municipalities.

I think the senior citizens would be able to see that \$180 or \$240 exemption as against what they've lost through the sales tax and rebate coming back.

ASSEMBLYMAN SCHLUTER: Thank you.

ASSEMBLYWOMAN MARGETTS: Any other questions?

SENATOR COFFEE: I just want to make one correction. This may or may not be the right place to do it. But our Division on Aging offices in the State of New Jersey are now open in most counties, and those counties which haven't opened a Division on Aging office I understand most of them are considering it. Then, as well, we have offices in New Jersey existing in our major cities. For example, here in Mercer County we opened a joint office and then found out we didn't really need that so then we left the Division on Aging office basically under the county jurisdiction and the City program was sort of directed to give us broader coverage and take care of more people. But initially an office is opened by the counties and it's funded on a percentage basis by the counties and this is a very serious problem now because after the third year there is no more federal money coming down to the state and state money now is just not available which, in effect, is federal money, to the counties and municipalities. One of Senator Dumont's counties, in the district which he represents, Sussex County, they were one of the first two counties to have a division on aging office and that office, I understand, operated very well and very effectively, but after three years, when there was no other supplemental money coming in, the Board of Freeholders thought that they couldn't afford to continue to underwrite. Now I think a temporary arrangement has been made to keep that open, I hope that

it has, but this is the situation that is arriving county by county and will hit the municipalities. Of course, I have a bill in, which calls for the State to fund 50% of the cost of operating these offices, whether they be county or municipal, and I think if the bill is passed it will help to keep the offices open

Once the Boards of Freeholders establish an office, however, then the control of that office and the programs of that office, as well as being under the direct supervision of the State Division on Aging Office, is controlled by a citizens board, basically of senior citizens. Here in Mercer County we have a very effective board headed up by a wonderful doctor by the name of Dr. Fluck. And then you have, according to law, another ten, twelve or fifteen representative senior citizens setting the policy and really overseeing the operation of the office. And it is true that even though here I've seen a very effective office, that there must be thousands of senior citizens who do not even know it exists, and that's had adequate public relations and so forth. And the problem that I see with the senior citizens, in coming here today and testifying before such a Commission, is that they lack leadership, statewide. There are a few organizations that have banded them together so that their voices can be heard but not nearly enough leadership. And when you have organizations, clubs, like The American Association for Retired Persons and other senior citizen groups, countywide

councils; within some municipalities you may have dozens of senior citizen organizations and they will have leadership and the leadership will be around for six months or a year but then due to senior citizens passing on or illnesses or other things happening, they lose that key person and the program dies. Then you will see, maybe a year later or two years later, it will come up again. But there is not the continuity that our senior citizens need and I think it was one of the hopes of the people in Washington and the people here in the State of New Jersey, in forming these offices county by county and in larger municipalities, that the leadership will be provided and that a continuity can be effected, but up until now we have not been, all of us, as effective as we should be but hopefully we are working in the right direction.

MAYOR ARMENTI: Senator, when you talk about leadership, if I may, the senior citizen, the older citizen, the older American, they're depending - it is very difficult to inspire leadership in the groups, they have many problems, but the senior citizens are depending on all of us to do this. And, Assemblywoman Margetts, I know you've been very busy and I know you've had many hearings but if at all possible to have a hearing like this down at our Salvation Army Building, where we have hot lunches for the senior citizens, and hear from them, it's a tremendous experience. I think this is where you would really get some insights. I know you have talked to senior citizens, but to see this

group and see them engaged in recreational activities and to chat with them and ask them questions, I think you would get a tremendous insight as to what their problems are.

ASSEMBLYWOMAN MARGETTS: Thank you very much, Mayor Armenti, for your very fine comments. I'm glad to hear that you're taking the blame for the sales tax rather than the Legislators.

SENATOR COFFEE: We're not going to let that happen.

MAYOR ARMENTI: Thank you very much.

ASSEMBLYWOMAN MARGETTS: Mr. Charles Bodenstab will testify next.

C H A R L E S B O D E N S T A B: Madam Chairlady, members of the Commission, my name is Charles Bodenstab, I am President of the Willingboro Friendship Guild, a senior citizen organization of about 160 people living in Willingboro, New Jersey.

I would like to discuss first a bill which was mentioned by Mr. Beeson, namely, A-715 and A-80, both of which advocate the exclusion of social security benefits from consideration under the income requirement in computing exemption under the property tax schedule.

As you know, our Federal Government exempts social security benefits from federal income purposes and our State Government imposes a heavy burden by including such benefits as income when computing tax exemptions.

We endorse the purposes of this bill and recommend its adoption by this Commission.

Furthermore, I would like to comment on Assembly Concurrent Resolution No. 11, prefiled and introduced in the 1969 session by Assemblywoman Josephine S. Margetts, which advocates a proposed amendment to Article No. 8, Section 1, Paragraph 4, of the Constitution of the State of New Jersey. The main purpose of this resolution is to grant an annual deduction from the amount of any tax bill for taxes on real property of any citizen of this State at the age of 65 or over, residing in a dwelling owned by him which is a constituent part of such real property, but no such deduction shall be in excess of 25% of the amount of any tax bill and such deduction shall be restricted to owners having an income not in excess of \$7500 a year.

We believe that this is a sensible bill and we endorse it.

As the distinguished previous speaker mentioned, I think there will be many senior citizens who will eventually lose their happy homes due to the excessive real estate taxes.

If I may mention my own case, and I am better off than many other senior citizens, my property tax was increased from \$640 in 1967 to \$1100 in 1969, and should be now \$1300 in 1970. The appraised value was increased \$5100 last year on my house and \$3,000 this year. Now I don't live in a palace but this just shows that these excessive property taxes will eventually cause many a citizen to give up his home.

Now I am not interested in real estate. I don't want to make a profit. I bought the house to live in. But if the value of my house and the rate is increased to such an extent I will eventually have to look for other quarters.

I think that's about all I wanted to mention.

ASSEMBLYWOMAN MARGETTS: Are there any questions of Mr. Bodenstab?

SENATOR COFFEE: Mr. Bodenstab, I don't quite understand you when you say that the appraised value of your house was increased \$5,000 last year --

MR. BODENSTAB: \$5,100 last year.

SENATOR COFFEE: And \$3,000 this year.

MR. BODENSTAB: It will be now increased another \$3,000, yes. The rates have just been released.

SENATOR COFFEE: Was this as a result of a re-evaluation?

MR. BODENSTAB: Revaluation of the property, yes.

SENATOR COFFEE: Well why has it been kicked up twice as the result of one re-evaluation program?

MR. BODENSTAB: Well, when the 1969 tax schedule was established our house was increased \$5,100 in value and when I paid my tax bill on February 1st and looked at the new schedule the house was increased another \$3,000.

SENATOR COFFEE: I really still don't understand that. I know you have a problem. And your taxes now are \$1300 on your property.

MR. BODENSTAB: The taxes in 1967 were \$640; in 1969, \$1100; and now the final figure hasn't been established yet because the school board budget hasn't been approved yet and this isn't final on account of the veto by President Nixon and it should be around \$1300. That's 1970-1971.

SENATOR COFFEE: Do you have any feelings concerning the 2% proposed increase in the New Jersey State Sales Tax?

MR. BODENSTAB: Well, I think the greatest burden is the real estate tax. Now I'm not talking about an increase in the sales tax from 3% to 5% or the general inflation which was, I think, in 1969 about 6%. That is in addition to what I'm talking about. But all of your expenditures, sir, are on a percentage basis of your income, isn't that true? You're spending so much on clothing, so much on food, and I think real estate taxes are 15% of your income.

SENATOR COFFEE: You're talking about on general average.

MR. BODENSTAB: General, average, yes. But those figures I gave you are correct.

SENATOR DUMONT: After the revaluation was completed, did your tax rate continue to go up or did it remain stationary or decline?

MR. BODENSTAB: No, it was never stationary and never declined, it was always raised.

SENATOR DUMONT: Even after the revaluation was completed.

MR. BODENSTAB: That's right.

SENATOR DUMONT: You mentioned something about President Nixon's veto of the education bill. Do you live in what's known as an impacted area? Do you have a lot of federal employees from Fort Dix and McGuire living in Willingboro?

MR. BODENSTAB: I think we have, yes.

SENATOR DUMONT: And is that why the veto cuts into your income?

MR. BODENSTAB: It hasn't been established that it will affect, but it was mentioned. They believe that they might get some money somewhere else or part of the money, anyhow.

SENATOR DUMONT: Well, is that the main reason why your educational money would be curtailed from the Federal Government, if you're getting any now?

MR. BODENSTAB: I understand that the school tax rate might be increased by thirty or forty cents per hundred on account of the veto.

SENATOR DUMONT: Who told you that?

MR. BODENSTAB: I think we read that in the paper.

SENATOR DUMONT: I see. You don't know whether it's an official report then or a rumor, actually.

MR. BODENSTAB: Well, Senator, I think --

SENATOR DUMONT: I'm not disputing it in any way but I'm a little surprised that you have that many federal employees in Willingboro. Are there quite a number of them there?

MR. BODENSTAB: Oh, yes, they come from --

MR. BEESON: Senator, I can answer that.

SENATOR DUMONT: All right.

MR. BEESON: At the Board of Education meeting Monday night those were the figures that they gave out officially.

SENATOR DUMONT: The Board of Education?

MR. BEESON: Yes, last Monday night.

SENATOR DUMONT: What were the figures?

MR. BEESON: About 30%, wasn't it?

MR. BODENSTAB: I think so, yes.

SENATOR DUMONT: That you would have to increase because of the fact that you would not get the additional aid that otherwise the bill would have provided, had it not been vetoed.

MR. BODENSTAB: Yes.

SENATOR DUMONT: Thank you.

ASSEMBLYMAN SCHLUTER: Mr. Bodenstab, I have one question that I asked Mr. Dean. You referred to the different categories of expenses, fixed expenses that senior citizens have, you mentioned clothing, food, medical, etc. We know that all of these are going up and, of course, one of these is property taxes. Which, in your opinion, is going up at the sharpest rate? Would you say it's property taxes?

MR. BODENSTAB: Property taxes. I have to agree with Mr. Dean, yes.

ASSEMBLYMAN SCHLUTER: They're going up at a sharper

rate than all of the other different categories.

MR. BODENSTAB: Yes. It isn't that we dislike the fact that your property is valued higher. If you sell it you make a profit. But that isn't the purpose, you see; you want to live there. You're not in the real estate business and want to sell your house, and, if you do, then you have to pay that much more when you move somewhere else.

ASSEMBLYMAN SCHLUTER: Thank you.

ASSEMBLYWOMAN MARGETTS: Are there any other questions?

MR. BEESON: I would like to clarify one thing. There is no such thing as a re-evaluation of taxes in Willingboro. The assessor sets that annually at the retail value of the house. The assessor sets that.

SENATOR DUMONT: But don't you, say every ten years or so, have an outside, or you can do it with inside people, but I mean don't you have a re-evaluation in Willingboro every ten years or so?

MR. BEESON: We're only ten years old.

SENATOR DUMONT: That's true.

MR. BODENSTAB: We've been revalued every year.

MR. BEESON: The only thing you can do is appeal it to the County Tax Board.

ASSEMBLYWOMAN MARGETTS: Thank you very much, Mr. Bodenstein.

Mr. Jack Volosin.

J A C K V O L O S I N: I have a prepared statement but after I conclude reading the statement I do have a few comments I would like to make.

My name is Jack Volosin, International Representative, Retired Workers Department United Automobile, Aerospace and Agricultural Implement Workers of America - UAW. I am pleased to have the opportunity to appear before your committee to present the views of UAW concerning present and prospective tax legislation as it effects the older and retired citizens of the State of New Jersey.

The major source of income for most of our senior citizens is the monthly cash benefit paid through the Social Security Act. Since the last benefit increase in February, 1968, the cost of living has risen 9.1 per cent. (December 1969) The latest B.L.S. figures show a further 1.0 per cent increase during December. The inflation tax is paid by senior citizens along with the rest of us.

The passage of and implementation of Title XVIII of the Social Security Act (Medicare) is a milestone in the history of the United States. Medicare has brought new dignity and security to millions of older Americans, however, Medicare in its present form falls far short of providing a truly adequate comprehensive program.

Medicare covered only 35 per cent of health costs of the aged in 1967. Physicians' fees rose seven (7) per cent in 1967 and the average health care expenditure per aged person in fiscal year 1967 was nearly 15 per cent more than in the fiscal year 1966. The average medical expenditure for persons over 65 rose by 21 per cent in 1968. Medicare costs have further increased with the monthly premium for part "B" raised to \$5.30 per month and corresponding increases for hospital and other care.

Unless positive action is taken to bring about an equitable tax structure in the State of New Jersey the economic position of our senior citizens will continue its rapid decline.

Home ownership is the most important asset of the elderly. Mounting taxes and other rising costs increase tremendously the problems of home maintenance and threaten the acceptable living standards of our senior citizens.

Present tax exemptions for persons over 65 are totally inadequate taking into consideration the cost of living increase since the \$80.00 figure was enacted and the fact that New Jersey's property taxes are the highest in the nation.

The UAW proposes that, legislation be enacted to amend the present Senior Citizens', Property Tax Deduction Act, to provide:

(1) Income limitations be raised from \$5,000.00 to \$6,000.00 per annum.

(2) Deductions from the tax bill be increased from \$80.00 to \$160.00 per annum.

(3) That new legislation provide that a senior citizen meeting the eligibility requirements be entitled to pay the tax levied, on his property (less allowable deduction) for the first year his application is approved and the same amount of tax in each subsequent year that he meets the eligibility required. In the event a reduction in the tax rate occurs, the tax of eligible senior citizens shall be reduced by a corresponding amount.

(4) That new legislation also provide equal relief for persons over 65 who are renters inasmuch as a percentage of the rental is in fact property tax.

The United Automobile Workers is most vigorously opposed to the proposed increase in the New Jersey Sales Tax from 3% to 5%. In fact UAW is unalterably opposed to any increase in

this tax. Sales' taxes are regressive and place the heaviest burden on those least able to pay.

Many of our older citizens who contributed so greatly to the progress and growth of New Jersey and the nation were not poor upon their retirement, but were made poor by such thoughtless and regressive measures as the Sales and Use Tax. To compound the problems of our elders still further are suggestions to eliminate exemptions of basic needs such as food and clothing. This kind of thinking is in direct conflict with the nation's effort to raise people out of poverty, and will only serve to create still further inequities for the poor of which the elderly are a large segment.

We propose that senior citizens deemed eligible under property tax exemptions also be given tax exempt status in the payment of the Sales and Use Tax.

The comments I want to make in relation to the tax deduction, presently the \$80, was brought out formerly by the Mayor of Trenton that in effect senior citizens are not receiving actually the figure stated. It's really a shell game because when the taxes are determined the cost of providing that relief is included in the tax base. A specific example, as one of our members just told me the other day, in his tax that cost is 23¢ a hundred, and with a modest evaluation of \$10,000 that means that he, in effect, pays \$23.00 toward the \$80.00 exemption so in reality he is receiving \$57.00.

Furthermore, questions were asked and I think we ought to be concerned about our taxes generally and taxes generally where it involves taxes of senior citizens to pay for the operation of government and that consideration be given, and the Legislature has moved in the right direction when it enacted the enabling legislation in respect to giving senior citizens consideration in transportation. The reason why I raise that in a discussion before your Committee is because senior citizens do pay taxes and the State of New Jersey, out of those taxes, subsidizes railroads and bus companies that are doing business in the State of New Jersey. So I think the Legislature ought to go even beyond the permissiveness of the legislation but do something in the way of getting relief for senior citizens where it involves transportation. And the reason for that is that because of the high cost of transportation senior citizens are excluded from the

community and this may be one of the logical reasons for senior citizens not being able to know of the facilities and programs available to them because of the fact that they can't get - even if they did know, they can't get there because of the exorbitant cost of transportation which, in effect, is another tax.

Thank you very much.

ASSEMBLYWOMAN MARGETTS: Are there any questions?

Thank you very much, Mr. Volosin.

Mr. Hoffman, will you testify at this time?

Mr. Hoffman is Executive Assistant, Division on Aging.

J. W. H O F F M A N: Thank you, Madam Chairman, distinguished members of the Commission. My name is J. W. Hoffman and I am the Executive Assistant of the New Jersey Division on Aging. I am sorry that Mrs. Harger, who is the Division Director, could not be here but previous commitments prevent her being here.

First of all, I would like to compliment the Commission on the resolution which it recently adopted and forwarded to the Legislature on the whole matter of property taxes.

I am not going to take your time to point out the problems that other people have pointed out and which I am certain others will point out. And I am sure that from the volume of mail that we have forwarded to Mrs. Margetts, that we receive in the Division, you are pretty well acquainted with the problems that are brought on

at least in part by the rapidly rising property taxes throughout the State. I would prefer to talk more about legislation which has been introduced and I would like to say in general that all of it obviously is good so far as the senior citizens are concerned because it all moves in the same direction, which would be to reduce the amount of money that they have to pay out in property taxes every year.

We are particularly interested, for example, in the amendment and the bill introduced by Senator Coffee and Senator Knowlton. This bill, of course, is one that goes quite far but it has good points with which the Division is in complete agreement. For instance, granting the property tax deduction to single females at age 62 rather than at age 65 is certainly in line with the growing recognition of the fact that single females do need assistance, especially widows, at an earlier time than men do, since men, generally, we consider to work to the age 65 and sometimes beyond that.

The tax deferral measure, which has been introduced and which does not seem to have too much appeal, is another approach to this matter which, it seems to me and to Mrs. Harger, is of great merit, although we realize, of course, that it would require the State to put up a good bit of money - I think it has been estimated around \$90 million - in a fund but it would be a revolving fund and I don't think, in the long run, it would cost the State an appreciable amount of money.

Mayor Armenti's suggestion, where the State and the Federal governments would match the present deduction, is

also of merit. Unfortunately, this would represent to the State, in my estimation, a cost of about \$12 million a year at the present time. And, so far as the Federal Government is concerned, naturally nothing can be legislated for the State of New Jersey alone so this would be a nationwide thing which would represent a lot of money. I have no idea what. But I can appreciate and I do appreciate the position in which Mayor Armenti and the other mayors of the State find themselves, that this burden falls on the municipalities, the taxing districts, and when we are talking about increasing this burden they naturally ask, well where is the money coming from ,because, obviously, Senator Dumont's proposition, for instance, that the deduction be increased to \$150 would mean that the tax rates would go up again. And, of course, as the gentleman who testified before me pointed out, we are not talking about an \$80 deduction in fact or a \$150 deduction in fact, both of them would be somewhat less than that since they are included in the amount to be raised by taxation in each of the state's municipalities.

Also we are concerned with the inequities which are built in to the existing legislation. For instance, we know that there are concentrations of older people, retired people, in various parts of the State so, therefore, you have a case of one municipality where the incidence of older people is very high so, therefore, they have to raise much more money in taxation in order to grant the present \$80 deduction, whereas in other parts of the State you have a very low older population so they are not affected anywhere near as much.

And, of course, it's very obvious and I don't think I need to point out to this distinguished Commission that the tax rate itself brings about an inequity. Where a man is paying \$1,000 a year in taxes, he gets an \$80 deduction; a man somewhere else, owning a comparable home, pays a tax bill of \$200, he gets an \$80 deduction. So, on the basis of equity, there is reason to wonder whether this is the kind of legislation that really does the job we're trying to do.

I would also like to make this point that as the property taxes rise, and as other things rise, for instance during this winter, which has been a severe winter, much cold weather, heating bills have gone up, and this sort of thing; many of these older people have only one way to meet these rising costs and that is out of their food budget. In other words, as they pay more in property taxes and as they pay more for heat and this sort of thing they eat less. So, therefore, you have the malnutrition problem with which we are deeply concerned and the Department of Health is deeply concerned.

Now there are programs that help, such as the food stamp program and that sort of thing, but the basic fact is that when these older people who are living on static minimal incomes, many of them near or below the poverty level, are hit with some added expense that they cannot escape they simply eat less. So a grave matter of health is involved in this question.

Now we recognize, of course, that much of the problem, the general problem of the older people, has to

be handled by the federal government on that level. For instance, a meaningful increase in social security benefits. We have, of course, had the recent increase but I think we all realize that a 15% increase to someone who is receiving \$80 a month is hardly going to solve all of that person's problems.

So, as I say, there is a lot which has to be done which we cannot do on the state level, it has to be done on the federal level.

As has been pointed out so many times, too, I think this is a point which we should bear in mind, these people did not become poor, in the main, until they became old, in other words, until they had to go on social security and maybe some minimum type of pension which might have represented, in many cases, at least a cut to one-half of what they had been living on when they were income-earners and sometimes a great deal more than that. So that we have basically the question of raising their income. Now how is it going to be accomplished? There are bills in Congress now which would bring about a meaningful increase in social security; there is a growing sentiment for a guaranteed income. This sort of thing I think we might see, probably not in the near future but let's hope that it will come about soon.

Now there seems to be some question about the Older Americans Act. Senator Dumont brought this out and Mayor Armentis commented on it briefly. What the Older Americans Act means to New Jersey during the current fiscal

year is a total amount of I think approximately \$260,000 in grant money. Now there is \$75,000 additional for administration, which is mandated by the Older Americans Act. This obviously is not a great deal of money but the act is not designed, in the main, to be a direct service act; it is designed, as the State Division on Aging was designed, by a very forward-thinking Legislature in 1958 to seek out the problems of the older people, to determine what can be done about those problems, to acquaint the older people with the existing resources which are available to them and to acquaint government on the county and local levels with any gaps that exist in those services.

Now the way that we have done it in New Jersey, and I'm proud to say, on behalf of Mrs. Harger, that New Jersey has been the pacesetter in this, is to set up accounting offices on aging and municipal offices on aging. These are extensions of the Division on Aging. Now they are funded, in part, under the Older Americans Act. In the first year they are funded with 75% federal money, the other 25% is put up either in cash or in kind by the county or the municipality. It's a descending grant proposition. In the second year the federal government pays 60%; and in the third year, 50%. After that time, up until now at least, the agreement has been that the county or the municipality would then continue the office on aging at its expense, total.

Of course, as Senator Coffee and Senator Knowlton, Senator Italiano and others have introduced a bill which we

call "The County Offices on Aging Bill" and I don't know the number of it this year, which would make the county offices on aging a part of State Aid. The bill would provide that any board of freeholders might set up a county office on aging and the State would finance 50% of the cost of operating that office up to \$20,000 a year. We have at the present time nine county offices; we have five municipal offices; and we have in Trenton a new idea which we are experimenting with and which is working out very nicely and that is to have a city coordinator on the problems of the aging.

Now other things that we can do, under the Older Americans Act and under some of the money that is made available to us by the Legislature for demonstration projects and that sort of thing, - in Trenton, for instance, the Salvation Army food program, that Mayor Armenti talked about, was made possible by a federal grant through our Division and, as a matter of fact, the Division initiated the action for this and rather sold it to the city on the idea of a food program. This stems from the very successful food program which has been running in Paterson for several years and out of which grew the "Meals on Wheels" program that you may have heard about - I hope you have - whereby food is carried to the homebound, those too ill or otherwise unable to get out and go to the YWCA where the food program operates.

Now there has also been mentioned here, I think Assemblyman Schluter brought this up, that it's very difficult to locate the older people. And this is very true. They tend to isolate themselves and they tend to become

isolated because relatives don't pay enough attention to them and this sort of thing.

There is a program going on in Trenton, again funded under the Older Americans Act through our Division, which is run by the Mercer Street Friends Center, and this is a seek and find program whereby people go out and go through this particular neighborhood and find the older people who are isolated, see what their problems are, acquaint them with the resources that are available to help them, and see that they get to where those resources can be made available to them.

This has been a very successful program and it's one that has aroused considerable interest in other parts of the country and, of course, in other parts of the State.

Then there is the transportation problem, which is an overpowering problem, but again under the Older Americans Act and in part with State funds we have set up an experiment in Cape May City where they were enabled to purchase a minibus, hire an operator, and make this bus available at stated hours to transport older people to where they might want to go.

I think, Madam Chairman, that that's about all that I have to say. If you have any questions, I will be glad to answer them.

ASSEMBLYWOMAN MARGETTS: Mr. Hoffman, you indicated that the \$80 deduction or a flat deduction is not a fair approach. Would you think that a percentage basis for a deduction would be better?

MR. HOFFMAN: Yes. I believe that a percentage deduction, such as is incorporated in Senator Coffee and

Senator Knowlton's bill, and I think there is another one which would work on the same idea, 25% deduction, would be much fairer because we are now granting more to some people who have very little tax bills and not much to people who have really staggering tax bills. Yes, I do, definitely.

ASSEMBLYWOMAN MARGETTS: Are there any questions of Mr. Hoffman?

SENATOR COFFEE: Mr. Hoffman, do we have any idea at this point whether the Older Americans Act funding will continue?

MR. HOFFMAN: Senator, we have an idea that it will but that's all that we have. Of course, under the 1969 Amendment it has now been extended to 1974, so we are assured the Older Americans Act will be continued to that time.

The problem is, while the Act is very, well I might say, generous in its authorization, Congress has not responded on the same level in its appropriation. So this year we are operating - well Title 3 is the main portion of the Act and this is the one under which we fund the county offices, demonstration projects, and this sort of thing. We are operating with \$60,000 less in this current fiscal year than we did in the previous fiscal year, and the Act itself doesn't mandate any such reduction as that. This is Congressional appropriation matter.

SENATOR COFFEE: I think it would also be interesting for the Commission members to know how these programs, which you term more or less pilot type projects, are decided upon. I happen to serve on an advisory committee - of course, you

work with them more directly than I do - we receive requests from all over the State of New Jersey and then, in a diversified manner, attempt to pick out, according to the funding available to us, a project which we think could have appeal in New Jersey and to the total national problems - how we proceed from that point.

MR. HOFFMAN: Well, this is where the county and municipal offices are very helpful because it is a local source to which a person with an idea for a project can go. And then the project is written up and sent in to us and then we have to evaluate it and we have to evaluate it on the basis of what the potential good is. Now many of these projects we look at as one year experimental projects which we hope will be spun off into existing government agencies or something of that sort. But primarily we have to determine - and unfortunately sometimes it's an estimate more than a real evaluation - that it has worth, that it will carry on and on and on, and that it will do its job. And our job then is to fund it or fund it in part to get it set up and to demonstrate to the responsible governmental officials that this project is worthwhile, this program does do a job, and convince them thereby that they should carry it on. We do get many of these proposals and, as I say, they have to be judged on that basis for that sort of merit and then, of course, on the amount of money that we have to work with.

SENATOR DUMONT: Mr. Hoffman, this report of the State Government News which is published monthly by the Council of State Governments, this is October, 1969, indicates

that the Older Americans Act extends through fiscal 1972.

I thought you said something about 1974.

MR. HOFFMAN: I may be wrong, Senator, but I thought under the 1969 Amendments --

SENATOR DUMONT: That's what this report talks about.

MR. HOFFMAN: Then I'm wrong, Senator. I'm sorry.

SENATOR DUMONT: Now what did you say you were going to get in the next fiscal year from the Federal Government?

MR. HOFFMAN: I can only talk about the current fiscal year, Senator, and we are getting in total money under the Older Americans Act somewhere in the neighborhood of \$270,000.

SENATOR DUMONT: Now this report also indicates that you may allocate only 10% of the total federal funds received under that Act to state agency programs, the other 90% must go to communities under a guaranteed pass-through. Is that a correct statement?

MR. HOFFMAN: No, it is not, Senator.

SENATOR DUMONT: How much do you grant to the communities, or must you?

MR. HOFFMAN: Well there actually is no line of distinction, Senator. Well, of course, first, we have to fund the offices on aging, then we can fund any project that we decide is worth funding. And there is no percentage that I've ever heard of.

SENATOR DUMONT: Well, now, the money you provide to the 9 counties that have county offices actually is all federal funds. Is that correct?

MR. HOFFMAN: Yes.

SENATOR DUMONT: Has your agency requested from the Appropriations Committee any state funds to help with county offices?

MR. HOFFMAN: Yes.

SENATOR DUMONT: And you haven't received any, is that correct?

MR. HOFFMAN: Well, yes, we have, Senator. We don't receive it under those terms. We have two accounts one of which is a matching affair for the Older Americans Act and the other is demonstration projects. We are now carrying on two offices on aging, the Bergen County office on aging and the Sussex County office on aging, which have passed out of the federal funding cycle. We are now carrying them on, on a very temporary basis, with State money.

SENATOR DUMONT: How much State money, for example, are you providing to Sussex County under this temporary arrangement?

MR. HOFFMAN: I believe \$6,000.

SENATOR DUMONT: And that's for how long, till June 30th?

MR. HOFFMAN: Yes, the end of the fiscal year.

SENATOR DUMONT: And what are the Freeholders providing?

MR. HOFFMAN: The Freeholders would be providing the same amount.

SENATOR DUMONT: \$6,000.

MR. HOFFMAN: Yes.

SENATOR DUMONT: You mentioned that under the

present \$80 tax credit there are many inequities but the only one I heard you mention, I thought I did, specifically was something about concentrations of people in different areas of the State, that that constitutes an inequity. Now what other inequities do you have in mind?

MR. HOFFMAN: Well I thought I pointed out, I meant to, Senator, that a person who gets a tax bill of \$1,000 a year gets an \$80 deduction; the person who gets a tax bill of \$200 a year gets an \$80 deduction. So this leaves the one person, assuming that they have comparable houses and their incomes are comparable, paying a great deal more in taxes than the other person, yet they both get the same deduction. I spoke of this, Senator, in saying that I favored a percentage deduction, a percentage deduction of the tax bill itself.

SENATOR DUMONT: Well, are you aware of the fact that in 1961, under legislation which I sponsored at that time and I also sponsored the \$80 in 1963, but in 1961 we started out by saying that the senior citizens would get a credit for \$800 worth of their assessment. Now we found that that was highly inequitable because what their credit amounted to throughout the State depended entirely upon what their tax rate was in the municipality where they lived. And the tax rates in those days, 1961, varied all over the New Jersey in the 567 municipalities, so in order to make it uniform and what we believed was fairer, we changed to the \$80 tax credit in 1963.

MR. HOFFMAN: I'm aware of that, Senator.

SENATOR DUMONT: Now the --

MR. HOFFMAN: But, Senator, I might say - I don't mean to interrupt you but I might say that we are now coming closer to 100% assessed valuation, which was not the case and was the reason why you introduced the amendment, I'm sure, back in 1961 or 1962.

SENATOR DUMONT: We passed it in 1963 and that's when it was adopted overwhelmingly. As a matter of fact, it had the largest plurality that any public question in the history of state government, I think, has had. So it showed that many people were supporting it aside from senior citizens themselves. However, when you talk about the 100% level, I would point out to you that Atlantic and Camden and Morris and Somerset and Union, unless they've changed in the last year, are still assessing at 50% of fair value; and Gloucester is at 30%; and Cumberland is at 40%; and Salem is at 30%. So you have many counties that are not at the 100% level.

MR. HOFFMAN: What I meant to say, Senator, was that we are approaching a standard assessed valuation and, as I understand the opinion of the Supreme Court handed down by Justice Heher, a standard assessment must come into being within time.

SENATOR DUMONT: You're talking about the Switz case, aren't you?

MR. HOFFMAN: Yes.

SENATOR DUMONT: That decision?

MR. HOFFMAN: Yes.

SENATOR DUMONT: Well, of course, out of that grew

the legislation that allows county tax boards any option a county tax board wants to select from 10% to 100% in multiples of ten. And, of course, many counties have not decided to go to 100%. So that those things have to be taken into consideration too in the question of whether it should be a percentage or a fixed amount. And I do think that the \$80 has long since ceased to have any meaningful effect to the senior citizens although, at the time, in 1963, I think it was about the only thing we could have passed surrounded by the conditions we had in those days.

MR. HOFFMAN: Well, we recognize it is always a question of what the Legislature is willing to do but, unfortunately, it just seems to me that the present section of the Constitution which applies says that the Legislature may from time to time grant, and then proceeds to say that it can't do anymore than grant an \$80 deduction to people earning no more than \$5,000 a year, with incomes of no more than \$5,000 a year. So where it seems to imply it's a matter for the Legislature to decide, it then proceeds to tie your hands.

SENATOR DUMONT: Except that I can remember some of us had to argue long and hard with other members of the Legislature in 1963 to get the amount of gross funds even as high as \$5,000. Many of them wanted to set it at \$3,000 in 1963.

MR. HOFFMAN: I remember that very well, too, Senator, although I was not with the State at the time.

SENATOR DUMONT: Thank you.

ASSEMBLYWOMAN MARGETTS: Are there any other questions?

Thank you very much, Mr. Hoffman.

MR. HOFFMAN: Thank you.

ASSEMBLYWOMAN MARGETTS: May we hear from Mr. Edward Donohue, Executive Director, Camden County Office on Aging.

E D W A R D L. D O N O H U E: Madam Chairman and distinguished members of the Commission, I would like to preface my remarks with a brief statement.

Aging, in and of itself, is not a problem; in fact, it is the most normal thing in life. Rather, it is the various ramifications associated with living at any age where problems arise. For the older person, the most critical aspect of living is related to financial need and, thus, it might be considered at the very top rung of the ladder when considering the present day plight of our senior citizens.

To remedy and, hopefully, eventually resolve the current financial plight of our senior citizens, there must be a concerted attack from all levels of government, federal, state and local. The Federal Government must, as soon as possible, pass legislation which would provide automatic Social Security increases tied to the cost of living; also alterations in the Federal Medicare program to cover the costs of drugs must ensue as rapidly as possible.

On the State level, in addition to the \$80 senior citizen exemption for property taxes, a study to consider the wisdom of a State law to freeze property tax rates for persons over the age of 65 should be made. In addition, the

possibility of eliminating property taxes entirely after age 65 should be explored if a property owner, by option, agrees to sign a lien against his property with the understanding that the taxes withheld from payment from age 65 until the owner's death will be recuperated from the estate, and will involve only those monies that would have ordinarily been taken in taxes.

Furthermore, the possibility of attaching a "rider" to the present state sales tax law should be evaluated which would exempt senior citizens, that is those over 65, from paying the New Jersey Sales Tax. This move should be taken at least until a complete evaluation of our present broad based tax structure can be evaluated, in an effort to alleviate the impact of the present law on low income people and, in this case, particularly those on fixed incomes.

Dr. Juanita Kreps, the renowned American economist specializing in the economics of senior citizens, has stated that the most positive and practical way to solve the current financial plight of senior citizens is twofold: one, to establish programs whereby senior citizens will receive more actual income and, two, to develop tax programs on all levels of Government which will not take away already scarce dollars from senior citizens pocketbooks.

I wholeheartedly agree with Governor Cahill who has stated the following: "Today's senior citizens have been the architects of America's ideals. This is a generation of people who were raised to reflect most of the dominant values that have made America what it is. They believe in

America. They have been through four wars, a massive depression, at least two inflations, very rapid social and technological change, but they have held their faith in America. These citizens of our State over the age of 65 have spent a lifetime in support of their government and the institutions of democracy. It is unwise to ignore the contribution they can make - because their beliefs are the central philosophy of the American dream."

In summary, regarding the current financial plight of our senior citizens, it is quite obvious that the issues are rather sharply drawn, and the State of New Jersey and its legislators must respond accordingly so that the ultimate victor in this crisis can be our entire society.

ASSEMBLYWOMAN MARGETTS: Are there any questions of Mr. Donohue?

MR. BEESON: Mr. Donohue, is there any particular bill pending in the Legislature which you would like to endorse?

MR. DONOHUE: The one that Mr. Hoffman, before me, referred to, in connection with the continuance of offices on aging, - I would like to mention that, the one that was sponsored by Senators Coffee, Knowlton and Italiano, I believe, last year. I don't know the new number but this would continue the offices on aging so that they can do the best within their power and their ability to continue the progress that has been made in the past few years. I would mention that in particular. I'm not familiar with the new bills that have just gone into the hopper.

ASSEMBLYWOMAN MARGETTS: You did mention one thing here, Mr. Donohue, a lien against property, the deferral of taxes?

MR. DONOHUE: Yes. I don't believe there is a bill actually in that connection at the present time, is there?

ASSEMBLYWOMAN MARGETTS: I don't know whether it has been reintroduced. There was one last year.

ASSEMBLYMAN SCHLUTER: Assemblyman DeKorte has a similar one.

MR. DONOHUE: I think this type of legislation, as long as it's kept optional would be good legislation because it has been my experience that you find many older people who, for one thing, don't like to rely on public assistance if at all possible. They're very proud people and I think we can be proud of the fact that they take that approach. I have noticed that there are people that would rather, for instance, keep their house and have some estate to leave to their offsprings and have a nice funeral tomorrow and perhaps die from hunger today. This is typical of so many cases.

ASSEMBLYWOMAN MARGETTS: But apparently there's a lack of interest in any legislation which would provide for a deferral of taxes or a lien against the property. That seems to have been brought out to some extent this morning.

MR. DONOHUE: There may be some instances where it may be almost mandatory on the part of the person because actually it goes back to - well, I would consider

the old saying, you just can't get blood out of a stone. And I think it's utterly ridiculous to, you might say, rob Peter to pay Paul, to give an increase in social security payments on one hand and then take it back on the other hand, maybe moreso, in the way of taxes. This is what we're experiencing today where they get a slight social security increase and then the tax rate rises, so that what they've gained through the social security increase is eaten up through increased taxation.

ASSEMBLYWOMAN MARGETTS: Anything further?

SENATOR DUMONT: Mr. Donohue, wouldn't the same argument apply in the case of tax deferral as for increasing the present tax credit, that the State Treasury should provide on an annual basis the reimbursement to municipalities? Otherwise, how are they going to continue to operate in the event that somebody decides simply to leave a lien against his or her estate?

MR. DONOHUE: I believe you're correct in that, Senator.

SENATOR DUMONT: Do you have any trouble keeping in communication or contact with the senior citizens in Camden County?

MR. DONOHUE: Actually, I heard the testimony that preceded mine and, fortunately, in Camden County we have had very good public relations where we have a fact book distributed throughout the County, over 3,000 copies, to the various senior citizens themselves as well as to the agencies working with senior citizens. We have a quarterly newsletter

that is distributed throughout the county as well as regular press releases in newspapers and the TV and radio. Although I feel that maybe two years ago we may have been in the position cited this morning, I think today, although there is still room for improvement, - I think the people, by and large, of Camden County are well aware that there is an Office on Aging and just what its intent is.

SENATOR DUMONT: Is your office funded by federal money, still, or is it being supported now by the County Board of Freeholders?

MR. DONOHUE: No, we are in the third year of the arrangement with the State Division on Aging for federal funds, however, the third year will expire on May 31. We're on the fifty-fifty basis right now.

SENATOR DUMONT: Do you expect you are going to be able to continue then?

MR. DONOHUE: We certainly hope so. Of course, it hinges upon whether or not legislation is forthcoming in the next few months.

SENATOR DUMONT: But you do expect to continue to get financial help from the Freeholders?

MR. DONOHUE: We certainly hope so, Senator. And it would be a big help if we could get that extra help from the State too.

ASSEMBLYMAN SCHLUTER: Mr. Donohue, in your prepared remarks you indicate that a study should be made to consider the wisdom of a State law to freeze property tax rates for persons over the age of 65. I would suggest, by way of

comment that really our Commission is charged with the responsibility of making this study and I don't know that you really mean an additional study to what this Commission is making.

MR. DONOHUE: No, I didn't. Actually, if you are already undertaking a study, that's what I had reference to.

ASSEMBLYMAN SCHLUTER: One other question, Mr. Donohue. You indicate that you would favor a situation where the senior citizens do not pay the sales tax. How would you propose to implement such a system?

MR. DONOHUE: I was in a discussion on this very subject the other day and I realize that this could be very complicated when someone goes into an A & P or Acme market and buys their food order. How do you distinguish between the senior citizen and the average taxpayer that has to pay the sales tax. Now I'm certainly not an expert in accounting but I'm sure that there is a way and a means that can be devised to work this out, possibly through the issuance of some type of coupons. We did it back during the war years, I think, where certain coupons were handed in so a proper accounting can be given by the business firm where taxes must be collected. I'm sure that some means could be devised, but I'm sure that this is going to hurt the senior citizen even more than he's hurt now.

ASSEMBLYMAN SCHLUTER: Do you think that a rebate system, whereby the senior citizens make a claim, senior citizens that come within a certain income level would make a claim for sales tax expenses during the previous year, -

do you think a system like that could work?

MR. DONOHUE: I think that would be very helpful.

ASSEMBLYWOMAN MARGETTS: Thank you very much, Mr. Donohue.

MR. DONOHUE: Thank you.

ASSEMBLYWOMAN MARGETTS: Mr. Carl West, Mercer County Office on Aging.

C A R L F. W E S T: Madam Chairlady, distinguished members of the Commission, current legislation which provides senior citizen real estate tax exemption, in my opinion, is antiquated and unrealistic. The present \$80 senior citizen exemption can be termed at best as ludicrous. The irony of the existing law is that the senior citizen is in actuality paying for his own real estate tax exemption.

Economics is the number one problem of our senior citizen today and for many, real estate taxes consume a substantial portion of their incomes. It is not unusual to find senior citizens spending in excess of 50% of their total annual income on real estate taxes.

The urban senior citizen is hard hit by the high real estate taxes with a substantial portion of the taxes going for school administration, a service which in many instances he nor any member of his family utilize. For many senior citizens their homes represent the largest and in many instances their sole remaining asset. As a result of the tremendous portion of their income going for real estate taxes other vital needs are neglected. Nutrition deficiencies, deterioration of the home, decline in required doctor

visits, physical and mental stress are just a few of those problems which plague our senior citizens as a direct result of high real estate taxes. Other forms of taxes such as sales taxes and our inflationary economy also play havoc with the fixed incomes of senior citizens.

The problem which is prevalent in our urban areas also reaches into the suburban communities as well and although not as critical in the suburbs there is every indication that unless immediate relief is given, they too will approach a similar crisis as that confronting our larger cities.

Raising the amount of the exemption will not in itself provide adequate relief to our hard pressed senior citizen. High real estate taxes place a heavy burden on many others beside the senior citizen, particularly the urban poor and to raise the senior exemption without providing the various municipalities with additional funds to offset the loss of revenue, would place home ownership out of reach for many of our urban poor.

It would appear that the first step of the legislature in revising the present law would be to place the responsibility of determining the amount of the real estate exemption with the legislature thereby eliminating the costly and laborious job of requiring a referendum each time a change is desired.

The second and most vital step would be the acknowledgement of the legislature, that no municipality should have to assume the burden of absorbing the increase in real estate tax exemptions. Therefore, the legislature must be willing to accept its responsibility in providing equitable and immediate relief to the

already overburdened taxpayers in our municipalities. Unless the legislature is willing to accept this responsibility, no reasonable solution will be found.

There is also a need to review our entire real estate tax structure in New Jersey. We should be careful in attempting to remedy a small portion of a system which may be in itself inherently bad. Too often we find property owners razing improved property to avoid high assessments while others are penalized for making improvements by receiving higher assessments. The foregoing illustrates how one is rewarded for eliminating a tax rateable while those who create rateables and add tax revenue to a municipality are heavily penalized. One alternative which can be investigated is the reversing of the existing real estate tax structure whereby the largest portion of the assessment is based upon the unimproved portion of the taxable property thereby encouraging full utilization of property and thereby increasing the number of ratables within a municipality without severely penalizing the taxpayer for making the improvements. This is not of course a panacea which will solve the ills of our overburdened taxpayer, but it is but one of many reforms which must be explored.

Although I have strayed somewhat from the topic at hand, that of senior citizen deductions, I feel that it is impossible to deal with one portion of the system, while ignoring the major principles upon which the system is built.

In conclusion, it is my recommendation that a tax convention be created to fully explore the present tax structure as it exists today in New Jersey, and that the convention as one of its duties study and recommend ways in which relief can be given to the more

than 141,000 residents of New Jersey, of which more than 6,600 live in Mercer County, who are currently receiving senior citizen real estate tax exemptions and also to explore the possibility of raising the income limitation, which is now \$5,000, to allow more senior citizens the privilege of receiving the exemption.

ASSEMBLYWOMAN MARGETTS: Are there any questions of Mr. West?

SENATOR DUMONT: What figure, Mr. West, do you recommend it be raised to, above \$5,000?

MR. WEST: Well I think, as indicated, if a tax convention was created this would be the responsibility of the tax convention. I feel that in many instances there are people who receive in excess of \$5,000 who really should qualify for some type of senior citizen exemption, particularly in some areas where we have very high tax rates, as we have here in the City of Trenton.

SENATOR DUMONT: Well, you say it will be the responsibility of such a convention to arrive at a figure but don't you have any recommendation to make to such convention?

MR. WEST: I would say as a start we should look realistically at a figure around \$7500.

SENATOR DUMONT: Now what do you do to publicize your office, because the first witness we heard this morning said he didn't realize there was a Mercer County Office on Aging.

MR. WEST: Well, we have done a number of things.

we have received excellent press coverage. I am a little amazed to find that there is one individual - there is a possibility and we hope there are not many like him who are not aware of our facility. We have made an extra effort to inform the people of Mercer County that we are in existence. We went to great pains, number one, in locating our office so that it is within two blocks of every bus that runs within the county of Mercer. We have also sponsored various programs which have received adequate publicity from the newspapers. An example is a three day conference which we are sponsoring tomorrow in cooperation with the Council of Churches and Interfaith Committee on Aging at the Palmer McHawk Inn. To date we have received responses from approximately 85 people who are going to participate to examine religion's role in the field of aging, and they come from all parts of Mercer County. We are also in the process and we have been authorized by the Mercer County Board of Chosen Freeholders to print 15,000 directories for services that are available to the residents of Mercer County and we hope that within the next two months this book will be printed. It has been compiled and the only problem has been one of a financial nature. We, in printing 15,000, are going to do the largest distribution of any county Office on Aging in the State of New Jersey. We want to make this directory available to every senior citizen and to every agency that comes into contact with our senior citizens. We are even going into saloons, believe it or not, because, you know, many

bartenders listen to problems and many of the people that frequent the saloons are senior citizens, and we are going to leave a directory with him. So we are pulling out all of the stops in trying to get our office publicized.

SENATOR DUMONT: Do you have any particular preference among any of these proposals that have been made in legislative form?

MR. WEST: I am in favor of the extention of the funding of county offices on aging by the State government. We are currently in our third year of operation. Our project here ends April 30th. I have every assurance on the part of the Board of Chosen Freeholders of Mercer County that they will continue the program but we are caught in a financial crisis in Mercer County and we need every bit of assistance possible from the State of New Jersey.

SENATOR DUMONT: Thank you.

ASSEMBLYWOMAN MARGETTS: Any other questions?

Thank you very much, Mr. West.

We have one more witness this morning and following that we will recess for lunch.

We will hear from Mrs. Patricia Wills.

M R S. P A T R I C I A A. W I L L S: Madam Chairman and members of the Commission. This is my first public hearing and I was not fully aware of the procedure so I am not prepared for any lengthy statement.

I have just recently been elected to the Council of Matawan Township and more recently been appointed as Director for our Senior Citizens.

When I was campaigning I became aware of the problem of our senior citizens, many of whom are holding on to their homes by the skin of their teeth because of the exorbitant taxes, especially the school portion.

I feel that if relief is not forthcoming these citizens are going to lose their homes and create a more serious problem, that of housing and possibly welfare. These citizens have been responsible for the building of many of our schools, for educating their children, and have been responsible citizens in general. Now in the latter years of their life they are forced to vacate these homes and become dependent on others.

On behalf of the Senior Citizens of Matawan Township I cannot emphasize enough the urgency of legislation to alleviate this problem, as well as, now I realize, citizens in other areas of New Jersey.

Thank you.

ASSEMBLYWOMAN MARGETTS: Mrs. Wills, are you familiar with any of the legislation which has been introduced, any of the bills concerning senior citizens?

MRS. WILLIS: The reason for my appearance today is because of a letter to an editor of the News Tribune which asked for support for Assemblywoman Margetts, and I know that's a bill pending to freeze school taxes which I heartily endorse but I must plead ignorant. I am just getting my feet wet.

ASSEMBLYWOMAN MARGETTS: Well, we appreciate your being here today.

Are there any questions?

SENATOR DUMONT: Mrs. Wills, as a municipal official you would probably favor that the State Treasury reimburse Matawan Township for any extension of present programs or new programs, is that correct?

MRS. WILLS: Yes, I would, because we're all having a problem right now as far as taxes are concerned and I am aware of the problems of Matawan especially in the school tax area. We have a very, very large school tax.

SENATOR COFFEE: Mrs. Wills, have you had an opportunity, since you have been on the Council, to determine in your municipality the total amount of senior citizen tax deduction dollars?

MRS. WILLS: No, Senator. We have a club that is operating right now and I would say there are approximately 80 to 90 members. We're a township of 16,000 and we are just getting into this area.

SENATOR COFFEE: Do you have a Division on Aging county office?

MRS. WILLS: Not that I'm aware of. This is Monmouth County.

SENATOR COFFEE: I think that might be a step in the right direction.

MRS. WILLS: Well, the next time I'll be better informed, Senator.

ASSEMBLYWOMAN MARGETTS: Thank you very much, Mrs. Wills.

There are no further witnesses to be heard this

morning, so we will recess for lunch and if at two o'clock there is anyone here to be heard, we will continue; otherwise, we will reconvene this public hearing on Friday, February 13th, in Hackensack, the Freeholders Room in the Municipal Administration Building - that will be at ten o'clock on Friday the 13th.

I thank you all for coming this morning. I appreciate your making the effort on such a very cold day when the roads in some parts of the State were very hazardous.

Thank you.

(Recess for lunch)

(Inasmuch as no witnesses appeared for the afternoon session, the hearing was adjourned.)

* * * *

BRODART, INC.	Cat. No. 23-221

BRODART, INC.

Cat. No. 23-221