



state of new jersey

Acting Governor Richard J. Codey

PROPERTY TAX CONVENTION TASK FORCE



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1 STATE OF NEW JERSEY

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3 NEW JERSEY PROPERTY : TRANSCRIPT

4 TAX CONVENTION TASK FORCE : OF

5 ----- HEARING

6

7 Date: October 19, 2004

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9 TRANSCRIPT ORDERED BY:

10 JACK DONNELLY, State of New Jersey, Office of
the Governor, The Statehouse, PO Box 001,
11 Trenton, New Jersey 08625

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13 PANEL PARTICIPANTS:

- 14 SENATOR JOHN H. ADLER
- MICHAEL R. COLE, VICE CHAIRMAN
- 15 SHERRYL GORDON
- SENATOR LEONARD LANCE
- 16 TERRENCE MALLOY
- ASSEMBLYMAN KEVIN O'TOOLE
- 17 MAYOR GARY J. PASSANANTE
- ERNEST C. REOCK, JR., Ph.D.
- 18 ASSEMBLYMAN JOSEPH J. ROBERTS
- CY THANNIKARY
- 19 CARL E. VAN HORN, Ph.D., CHAIRMAN

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1 (Tape 1, Side A)

2 MR. VAN HORN: -- ladies and

3 gentlemen. We're going to call this meeting to

4 order. Good afternoon. Good afternoon. Thank you

5 for your attention.

6 My name is Carl Van Horn, I'm the

7 Chair of the New Jersey Property Tax Convention Task

8 Force, and I want to thank all of you for coming out

9 this afternoon on this rather dismal, rainy day to

10 share your views with us. This is the third of

11 three scheduled public hearings. We've already met

12 in Bergen County and in Mercer County, and in each

13 of those cases we had a very good turnout, and I see

14 we also have a good turnout today. So I appreciate

15 your coming here today this afternoon to speak with

16 us.

17 I want to begin by having the members

18 of the task force introduce themselves, so you know

19 who you're speaking to. We have some other members

20 who are en route, and when they arrive I'm sure that

21 there will be a chance for them to introduce

22 themselves, as well.

23 And I want to start to my right, Ms.

24 Gordon.

25 MS. GORDON: My name is Sherryl

3

1 Gordon, I'm with the American Federation --

2 PARTICIPANTS: We can't hear you. We

3 can't hear you.

4 MS. GORDON: My name -- my name is

5 Sherryl Gordon, I'm with the American Federation of

6 State and County Municipal Employees.

7 MR. COLE: Michael Cole, I'm the vice

8 chair, I'm an attorney.

9 MR. MALLOY: Terrence Malloy, Business

10 Administrator and CFO, City of Bayonne.

11 MR. PASSANANTE: Gary Passanante, I'm

12 the Mayor of the Borough of Somerdale in Camden

13 County, I'm also the chair for the property tax

14 reform for the New Jersey League of Municipalities.

15 MR. REOCK: I'm Ernest Reock, I'm

16 retired from the Rutgers University faculty.

17 ASSEMBLYMAN ROBERTS: Good afternoon.

18 I'm Assemblyman Joe Roberts, I have the honor of

19 representing portions of Camden and Gloucester

20 County, and I also serve as the Assembly Majority

21 Leader.

22 MR. THANNIKARY: Good afternoon. My

23 name is Cy Thannikary, I'm the Chairman of Citizens

24 for Property Tax Reform, which is a grassroots (sic)

25 organization, representing over 500,000 homeowners

4

1 in New Jersey. Thank you.

2 MR. VAN HORN: Thank you.

3 As I said, some other members are

4 coming, and seated behind us here is Mr. Ed McBride,

5 who is from the Governor's Office.

6 The purpose of the Property Tax

7 Convention Task Force is to meet with the citizens

8 of New Jersey and with other expert witnesses, and

9 to carry out a task assigned to us by the

10 Legislature, and that is to examine the need for

11 property tax reform in the State of New Jersey, and

12 to prepare recommendations to the Legislature for a

13 possible constitutional convention to review and

14 reform the property tax system.

15 In enacting the legislation, the

16 Legislature and the Governor delegated to us the

17 important responsibility of developing these

18 recommendations, and then bringing it back to them

19 for their consideration. Our deadline for doing so

20 is the end of this calendar year and we're well

21 underway in proceeding to do that.

22 As you can see, the task force is

23 broadly representative, both of the appointments

24 from the Governor, and also representatives from the

25 Legislature, citizens and experts, people with

5

1 experience with government, and we are underway with

2 this very important task.

3 And I want to welcome Senator Lance,

4 who just arrived, Minority Leader in the Senate.

5 We want to begin today, before we have

6 our testimony from the public, with welcoming words

7 from Senator Madden, an assemblyman and mayor from

8 this district. Senator Madden.

9 SENATOR MADDEN: Thank you, Mr.

10 Chairman. I would like to welcome yourself and the

11 distinguished members of the task force to the South

12 Jersey region; and, in particular, the 4th

13 Legislative District.

14 The issue, as you know, that you are -

15 - have taken on is, at least as I see it, one of the

16 most significant issues that New Jersey Government

17 has addressed, arguably in my own lifetime.

18 We've all seen their faces and we've

19 heard their stories. There isn't an elected

20 official that can walk their district or walk their

21 region without hearing hue and cry of what the

22 property tax system is doing to the quality of life

23 in New Jersey. People are literally losing their

24 homes, they're making choices between whether or not

25 to take all their medicines or cut back on their

6

1 prescriptions just to pay their property tax bills.
2 And I would like to extend to each and every one of
3 you my personal thanks and appreciation for your
4 commitment to addressing this issue.
5 I'd also like to say that, at this
6 particular time, I am supportive -- I am supportive
7 of a convention, and I look forward to your report.
8 I truly believe, as a freshman legislator, that a
9 constitutional convention at this point and juncture
10 is not a copout, it is simply a reality. You see, I
11 really, truly believe that the evil system for which
12 we are taxed currently has not been appropriately
13 addressed by the sitting legislators before me. I
14 believe, and I will -- I will just share with you
15 one example as to why I -- why I feel that way.
16 In my first ten months in office, I've
17 had a number of legislators refer to their term in
18 office as their "career." That, in and of itself,
19 is somewhat troubling. If you really think about
20 it, in my election last year we had forty senators.
21 Across the entire State of New Jersey, of all the
22 millions and tens and millions of dollars that were
23 spent on legislative races, arguably the lion's
24 share of all that money went to about six senate
25 races. That was for control of the House.

7

1 If you really think about as another

2 way, Just John Q. Citizen, what's that's telling you
3 is that approximately thirty-four sitting senators
4 clearly had no race. When they're that safe in
5 their district, why are they going to try to tackle
6 something and vote for it and make the change with
7 the threat of making the wrong decisions and being
8 tossed out of office, or losing what they see as
9 their careers?

10 Therefore, I believe that the
11 convention, though looked at as Plan B, is truly the
12 reality and the best -- the best initiative for the
13 citizens if there's truly going to be tax reform.
14 As a legislator, I look forward to
15 reading your final report; I know it's due at the
16 end of the year. And, again, my hat goes off to
17 you, to thank you for taking the time and the
18 sincerity. And, truly, thank you for visiting the
19 4th Legislative District and giving our citizens
20 down here an opportunity to speak directly with you
21 and the task force. Thank you.

22 UNIDENTIFIED: Mr. Chairman and
23 members of the task force, I echo Senator Madden's
24 remarks in welcoming you to Blackwood, to the 4th
25 Legislative District. We very much appreciate you

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1 taking the time to come here and to listen to, not
2 only our views, but the views of the citizens that

3 are sitting behind me.

4 You have an historic opportunity here,

5 and I am asking you, I'm pleading with you to seize

6 upon that opportunity, to move forward with real

7 property tax reform in the State of New Jersey,

8 something which the Legislature has not done in

9 decades.

10 I am sure that you have heard this

11 time and time again. As I have heard from the

12 residents in my district as recently as this past

13 weekend, as I went door-to-door in the Glen Oaks

14 Section of this township, or from the seniors at the

15 Shenandoah Village, which is nearby, and certainly

16 from young working families who are trying to pay

17 their bills and their property tax bills.

18 You've heard the stories time in and

19 time out. It is time to do something in New Jersey

20 about property taxes, real, meaningful reform. And

21 I am here today to join with Senator Madden in

22 supporting the constitutional convention and urging

23 you to move forward with this, urging you to report

24 back to the Legislature to allow us the opportunity

25 to move forward and place this on the ballot in

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1 November 2005.

2 I very much appreciate your efforts in

3 this regard, and for you to take your time to work

4 on this very, very important issue. And, again,
5 welcome to the 4th Legislative District. Thank you.
6 MR. VAN HORN: Thank you very much,
7 gentlemen. Thank you for being with us today.
8 Now I would like to just outline how
9 we're going to proceed today, and mention that
10 people have signed up to provide testimony to us.
11 And what I'm going to be doing is calling each
12 person in order that they signed up.
13 And Patricia Feliciano (phonetic), who
14 is sitting here, a New Jersey Department of
15 Transportation employee, is going to help you keep
16 within the time limits of three minutes per person,
17 and she'll remind you when your time is getting
18 close to three minutes. We structured that
19 limitation just to allow everyone to have an
20 opportunity to speak to us.
21 I want to emphasize, however, that
22 there are other ways to communicate with the task
23 force. We have a way you can e-mail your comments
24 to us, if you prefer to use that method, and that is
25 you can find that on nj.gov/convention. There is a
10
1 spot there where you can e-mail to us. All of your
2 e-mails will be shared with all of the members of
3 the task force. You can also submit, if you want to
4 use the old-fashioned way and send it through the

5 U.S. Postal Service, you can send us a letter or
6 other material that you'd like us to read.
7 So, again, there are other ways to
8 communicate with us. And so if you don't feel like
9 testifying today, but you want to comment later,
10 please do so; we strongly encourage you to do that.
11 Our purpose in being here today is to
12 listen, to learn from you, from your views, to help
13 inform us as we go forward. And we started
14 intentionally first with public hearings before we
15 went on to meet with other interest groups and
16 others who we will hear from subsequently.
17 Tomorrow, we are having another
18 meeting in -- at Rutgers in New Brunswick, and that
19 will include testimony from former governors and
20 former treasurers, who will be commenting on their
21 experiences in tackling this issue that we're
22 concerned with today.
23 So, again, we're going to begin with
24 the testimony of Judith Cambria (phonetic), and then
25 go to Edward Dotson. And just to facilitate this,

11

1 if you would come down here, both of you, Judith and
2 Edward, and then we'll proceed, you know, with each
3 one in turn.
4 And if you would, just introduce
5 yourself and tell us if you do represent any

6 organization and where you're from. That would be

7 helpful.

8 Ms. Cambria, welcome. Look forward to

9 hearing from you.

10 MS. CAMBRIA: Thank you very much. I

11 am Judith Cambria, and I am the fiscal policy

12 specialist for the League of Women Voters of New

13 Jersey. On behalf of the League, for whom I am

14 testifying, I want to thank you very much for the

15 opportunity to provide input to assist the task

16 force members in meeting your responsibility to

17 consider and develop recommendations regarding the

18 process of conducting a constitutional convention.

19 I also want to thank each of you personally for

20 taking the time and energy to participate in such an

21 important and essential task.

22 The League is presenting you today

23 with an eight-page document of materials because we

24 have been working very hard and looking it --

25 looking over all of this and coming up with what we

12

1 think are appropriate. Copies of that have been

2 left, so all of you may -- will have a copy. And,

3 obviously, I cannot address much of what's there.

4 That does not include anything about

5 what the convention should be addressing; that will

6 come to you separately.

7 MR. VAN HORN: Okay.

8 MS. CAMBRIA: Okay?

9 The League has been involved in the

10 struggle to reduce New Jersey's over-reliance on the

11 property tax for almost half a century, and I've

12 been doing it for thirty-five years with them.

13 League members believe that an

14 appropriately structured property tax convention,

15 with the power to recommend changes, both to the New

16 Jersey Constitution and to statutes, has the

17 capability of successfully developing a property tax

18 relief plan for the consideration and vote of New

19 Jersey Citizens.

20 Leaguers believe it is, quote/unquote,

21 "wishful thinking" to believe that our elected

22 leaders can or will successfully address this issue.

23 The political pressures that have stymied our

24 Governor and Legislature are a systemic problem, and

25 they will continue to derail any efforts for them to

13

1 be able to carry this out.

2 Trends in recent taxes in recent years

3 require action now, certainly not further delay.

4 It's going to be at least two years, even with this

5 process. The amount of property tax has grown

6 absolutely dramatically in the last few years. I

7 have some figures:

8 Between 1990 and 2000, property tax
9 went up \$4.4 billion; that was a ten-year period.
10 Between 2000 and 2004, a four-year period, they went
11 up \$4.3 billion, practically the same amount as the
12 last ten years. And if you take the total amount of
13 18.5 billion, over 8 billion of it has been in the
14 last fifteen years. It's unsustainable, and it is
15 having drastic consequences for our state.
16 Some of the things that we are most
17 concerned about, that we should be looking at, and
18 we're concerned about the growing -- rapidly growing
19 inequities among the municipalities and school
20 districts. It is a serious, escalating problem, and
21 we are seeing more and more of our municipalities
22 beginning to look like our failing cities. And
23 there are school districts having to cut back on
24 what they offer, who are fine, excellent,
25 outstanding school districts; are seeing that they

14

1 have to cut back so severely that the wealthier
2 people are moving out, further exacerbating the
3 whole situation.
4 We do think that there should be few
5 restrictions on what the delegates can address, but
6 we do feel very strongly that they should not be
7 addressing spending. We do not believe it is -- the
8 delegates are -- should be given the power to

9 supplant elected officials, both of municipalities,
10 counties, and school districts, in determining
11 spending at these levels. We certainly will not
12 support a constitutional convention if it is allowed
13 to consider removing constitutional protections
14 given to -- by the people by the New Jersey
15 Constitution and court decisions.
16 We've given a great deal of -- we feel
17 quite strongly and urge you to hopefully do the
18 same, that we have a separate, special election
19 following the vote for citizens on the convention
20 itself at a preceding general election. We feel
21 that this is -- and if you go through our testimony,
22 you will find that there's a great deal of
23 discussion of why we believe that.
24 And, finally, we do believe that the
25 cost of the convention; in other words, the amount

15

1 of money put to it, will be sufficient. We can't do
2 it on the cheap. We need to provide sufficient
3 funding for the special election, for some kind of
4 remuneration for delegates; otherwise, we will not
5 have the diversity and representation of all classes
6 that we need, and also support for the election
7 activities of the delegates, so that we can have a
8 larger group and a more diverse group competing to
9 become delegates to the convention.

10 Thank you very much. I appreciate the
11 chance to speak to you.
12 I do have a few extra copies of our --
13 of our document, if anyone else wants it. They can
14 see me in the back.
15 MR. VAN HORN: Thank you.
16 MS. CAMBRIA: Thank you.
17 MR. VAN HORN: Thank you very much.
18 And we'll make your testimony available to all
19 members. Thank you.
20 Edward Dotson, and then Jim Dougherty
21 following Mr. Dotson. Mr. Dotson.
22 MR. DOTSON: Thank you, Mr. Van Horn.
23 Thanks for the opportunity to address the task
24 force.
25 My reason for being here is just to

16

1 make sure that, at least when the agenda is put
2 together for the constitutional convention, that a
3 full range of options are considered by the
4 delegates in how the property tax ought to be
5 restructured.
6 There is a good deal of economic
7 evidence that the property tax is actually a very
8 progressive, or can be a very progressive tax, and a
9 very economically efficient tax. Unfortunately,
10 property tax is two taxes: It's a tax on assessed

11 property improvements, and it's also a tax on
12 assessed land values. And the economics really
13 suggest that, if we gradually remove the tax on
14 property improvements; homes, office buildings,
15 whatever, over a period of time, and shifted to a
16 land-only tax base, we would have a great deal more
17 economic efficiency as an output.
18 In terms of progressivity (sic), one
19 option that ought to be put on the table for
20 consideration would be to allow individuals of fixed
21 income to petition to have their tax payment capped,
22 and any unpaid tax accrue as a lien against their
23 property, that would be paid at the time of sale or
24 transfer. That's done now in a limited way, and
25 it's done in many jurisdictions across the country.

17

1 So those are just a couple ideas that would help
2 make the property tax more equitable.
3 And the third item I think has to be
4 put on the agenda is a discussion of assessment
5 practice. Here is where we get a great deal of
6 inequity because assessments are done infrequently,
7 and people of the same property value pay very
8 different tax obligations because of assessment
9 practice.
10 So if those three items are put on the
11 agenda and serious discussed with the right kind of

12 economic analysis involved, I think we'll end up

13 with perhaps a bill to reform the property tax that

14 would be effective. Thanks.

15 MR. VAN HORN: Thank you, sir.

16 Mr. Dougherty, and then Mark Marcos.

17 MR. MARCOS: Marcos.

18 MR. VAN HORN: Okay. Mr. Dougherty.

19 MR. DOUGHERTY: Thank you, Mr.

20 Chairman, and good afternoon to you and the members

21 of the task force. I am Jim Dougherty, President of

22 the New Jersey School Boards Association and a

23 member of the Lindenwold Board of Education here in

24 Camden County. I want to thank you for giving the

25 Citizens of New Jersey the opportunity to provide

18

1 input to the task force prior to the issuance of its

2 final report.

3 The New Jersey School Boards

4 Association believes the Governor and legislative

5 leadership have assembled a constitutional

6 convention task force consisting of respected

7 experts and revenue policy, along with

8 representatives of county and municipal government

9 and higher education. However, there is a critical

10 element missing: The perspective of the people who

11 govern and manage our state's local school

12 districts.

13 No one on the convention task force is
14 directly involved in elementary and secondary public
15 education. That local school district perspective
16 is important. How New Jersey provides and pays for
17 elementary and secondary public education is at the
18 center of the property tax issue and a major focus
19 of the task force work. Therefore, as President of
20 the New Jersey School Boards Association, I would
21 like to personally extend to the task force our
22 organization's resources, data, and research on
23 school finance matters.
24 Additionally, I propose that the task
25 force extend its public hearing by hosting a work

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1 session devoted exclusively to the issue of school
2 funding. Such a session would enable the task force
3 to hear the perspectives of school board members,
4 administrators, parents, teachers, and as well as
5 members of the community-at-large. The task force
6 would gain needed information about local school
7 districts from the people who develop school
8 budgets, design education programs, and deliver
9 education to our children. Let me give you an
10 example of why I believe that input is essentially.
11 This summer, school districts were
12 taken by surprise when a new law, hastily enacted,
13 made major changes in their financial operations.

14 The legislation was conceived as a way to provide
15 short-term property tax relief, but it was developed
16 without the input of the people who actually work on
17 school budgets and oversee school operations. In
18 fact, the new law may increase costs, disrupt
19 facility projects, defer maintenance, endanger
20 student safety, and cause spikes in property taxes
21 two years from now. Had the insights and
22 observations of local school district officials been
23 considered, the unintended consequences of the law
24 would have been avoided.

25 This convention task force will

20

1 determine whether or not a convention is an
2 appropriate vehicle for property tax reform. The
3 enabling legislation also states that the task force
4 shall identify the specific issues and questions
5 that the convention should consider. So, from the
6 local school boards' perspective, let me offer input
7 on what those issues should be.

8 Since its inception ninety years ago,

9 the School Boards Association has studied the
10 revenue structure of our public schools. For the
11 past thirty years, we have strongly advocated that
12 the state pay a larger share, at least fifty
13 percent, of the total statewide costs of thorough
14 and efficient education. Such a change, implemented

15 as a tax shift rather than an increase, would reduce
16 reliance on local property taxes. Pardon me.
17 One of the sources for reducing the
18 property tax should be the income tax, the most
19 progressive tax available. To implement this shift,
20 the state could increase school funding or issue tax
21 credits tied directly to school property taxes paid,
22 or use a combination of a property tax limit, known
23 as a "circuit-breaker," for low-income residents,
24 coupled with a maximum equalized tax rate.
25 For the task force's reference, I have

21

1 brought along copies of NJSBA's statement of beliefs
2 concerning a state revenue system and school finance
3 system. These beliefs are based on a body of
4 research spanning more than thirty years. Under
5 that statute, the task force may recommend a
6 constitutional convention or another method to bring
7 about property tax relief, such as a special session
8 of the Legislature, which NJSBA prefers. In either
9 case, I urge the task force to consider including
10 NJSBA's beliefs on school finance as part of the
11 specific issues or questions that it identifies in
12 its final report.
13 Again, I want to thank you for the
14 opportunity to speak to you today, and we look
15 forward to working with you in the future.

16 MR. VAN HORN: Thank you very much.

17 MR. DOUGHERTY: Thank you.

18 MR. VAN HORN: Thank you.

19 Mr. Marcos, and then Edwin Klinewsky

20 (phonetic).

21 Let me just interrupt you just a

22 minute and welcome Senator Adler, who came in. I

23 did not see you.

24 (Participants confer)

25 MR. VAN HORN: Yeah. Welcome,

22

1 Senator.

2 MR. MARCOS: Good afternoon, members

3 of the panel. I thank you for the opportunity to

4 appear here.

5 My name is Mark Marcos, I'm Chairman

6 of the Cherry Hill Committee for Property Tax

7 Reform, and we -- we're a grassroots organization,

8 and we are affiliated with the statewide Coalition

9 of Citizens for Property Tax Reform, and Cy

10 Thannikary is our chairman.

11 Let me start off first with a

12 statement that prompted me to address this issue. I

13 understand that the panel has a responsibility to

14 come up with the protocols, the composition, and the

15 scope of the convention. It is -- as I understand

16 it, and I hope it's a fact, it is not yours to

17 question whether or not to have a convention. So
18 I'm hoping that that's what your task is, to come up
19 with the necessary information to have a
20 constitutional convention.
21 For the forty -- for the forty years
22 that I've lived here in New Jersey, there's been an
23 ever-increasing crescendo by the citizens and the
24 media for Trenton to do something regarding property
25 taxes. The response from Trenton has been a series

23

1 of Band-Aid approaches, such as the rebate and
2 property tax freeze programs, which at the time of
3 their implementation have helped. But then the
4 inexorable rise in taxes, again, resumes to the
5 point that these temporary fixes over time lose
6 their effectiveness. One might even perceive that
7 these Band-Aid programs may have stimulated the
8 continued growth in property taxes.

9 We have lawmakers going about saying
10 this is a legislators job to do something about the
11 tax. Given Trenton's track record for a lack of
12 action, the convention process is the right thing to
13 do.

14 With regard to alternative revenue
15 sources, we believe that an income tax is the
16 fairest source of revenue to replace the current
17 property tax system for funding schools. Simply

18 stated, it is a fair system and it reflects the
19 ability to pay.
20 It must be strongly emphasized to our
21 citizens that the income tax is not necessarily an
22 increase in taxes, but a tradeoff for one tax for
23 another. Not having the data to examine the impact
24 of the net effect of the reform on an individual
25 basis, one not only (sic) can generalize is this

24

1 area. Perhaps an analysis of the number of income
2 taxpayers who do not pay property taxes, versus
3 those who pay property taxes' income would have some
4 value in determining the impact on individuals.
5 Increased sales tax should not be used
6 as a source for school funding. This tax is
7 considered to be unfair to those with low income
8 because it has a negative impact on percentage of
9 income for them, than those with higher incomes.
10 Additionally, an increase in the sales tax can have
11 a negative impact on the business and merchant
12 communities.
13 With reference to townships and
14 counties, an argument can be made to retain the
15 property taxes for those services provided which are
16 directly related to the value of the property, such
17 as trash services, road maintenance, snow removal,
18 et cetera.

19 Another important area to address is
20 cost containment. Controls of costs must be a major
21 part of the agenda. If you only address the
22 reformation of the property tax system without
23 addressing cost controls, that's like building an
24 automobile without the engine.
25 With regard to the composition of the

25

1 convention delegation, we give up. We don't know.
2 We have no experience in what the convention should
3 be composed of, and we're going to leave it up to
4 the panel to handle that.

5 Should political affiliation be a
6 consideration? Well, we haven't seen any real
7 bipartisanship in trying to get property tax reform
8 in New Jersey, so I leave this subject again for the
9 panel to decide, about the political composition.

10 And, in conclusion, I want to thank
11 you for the opportunity to participate in this
12 democratic process and for your patience in hearing
13 our comments. We feel we are at the threshold in
14 enacting landmark legislative, which have a -- which
15 will have a long-lasting impact on our state.

16 Basically, you guys are the gatekeepers right now,
17 as to whether we're going to have a successful
18 convention. So please, please be aware of the
19 responsibility there. Let's not squander this

20 opportunity. We want and we need true property tax
21 reform.
22 I have presented to the people outside
23 fifteen copies of a little more detail than what I
24 spoke on, trying to make this time limit. Thank you
25 very much for your patience.

26

1 MR. VAN HORN: Thank you, sir. Thank
2 you.

3 Let me welcome Assemblyman O'Toole,
4 who just came in, sitting over here to my left. He
5 came all the way from Essex County, so it's a long
6 way.

7 Mr. Ed Klinewsky, and then Eli Hiller
8 (phonetic). Mr. Klinewsky.

9 MR. KLINEWSKY: My name is Ed
10 Klinewsky, I'm a property owner in Burlington
11 Township. I'll skip the percentages and dollars and
12 speak in generalities.
13 Homeowners struggle twenty to thirty
14 years to pay off a mortgage, so they can have a
15 retirement home and live on a fixed income. The
16 present tax situation makes that impossible. You
17 can't retire on fixed income and pay for those
18 taxes. They're in a position because the state has
19 put them there.

20 If you don't pay a bill, the creditor

21 will take you to court, get a judgment, and file
22 suit against you. The property tax is the same
23 situation, but it doesn't go through that process.
24 They just say, you don't pay the taxes, we put you
25 up for a sheriff's sale.

27

1 The only legitimate tax that should be
2 assessed on properties is the local purpose tax.
3 This tax would cover services that are provided
4 directly to the property by a municipality: Trash
5 pickup, tax, et cetera. And if this was limited to
6 that, then the residents and the voters and the
7 homeowners would have a direct control over
8 expenditures of local purpose. This is done now
9 through our -- by controlling the board of education
10 dollar figures. So I think that, do that, and then
11 you put it back in the control of the citizens.
12 I feel that any other tax on
13 properties should be put back into the income tax.
14 Basically, as a citizen, you pay three
15 taxes today:
16 Sales tax. If you don't buy the
17 product, you don't pay the tax.
18 Income. If you -- if you don't work,
19 you don't pay the tax.
20 If you own a property, you pay the
21 tax. They don't care if you're insolvent, you're

22 not working, you have no source of income, and it's

23 a choice between medicine and the tax. You've got

24 to change it.

25 This is really -- covers the main

28

1 topic. I just wanted to comment that I've turned

2 over a series of two letters for each of you

3 gentlemen, not relating to property tax, but it does

4 concern water, a very serious problem, and I've been

5 trying to get some attention in Trenton. So if you

6 have contacts, do all the people in Jersey a favor,

7 run it up the flagpole and see if you can get a

8 legislator to say, hey, that's serious, and get

9 involved. Please do. Thank you.

10 MR. VAN HORN: Thank you, sir. Thank

11 you very much.

12 Eli Hiller, followed by Mayor George

13 Spadaro. Eli Hiller.

14 (Participants confer)

15 MR. HILLER: Okay. Thank you. My

16 name is Eli Hiller, I live in Cherry Hill; I'm a

17 retired business executive who was primarily a

18 management consultant to the Fortune 500.

19 The New Jersey property tax issue is

20 much more profound than that generally realized.

21 Given that premise, I would like to address the

22 issue of the scope of a constitutional convention.

23 The 1776 Constitution reflected the
24 devotion of the patriots to a nonspecific concept of
25 home rule, substituting for the many organizational

29

1 issues and processes omitted from that document.

2 The 1844 document did nothing to allay
3 home rule concerns; as, sixteen years later, New
4 Jersey was the only northern state to choose Douglas
5 over Lincoln because they feared Lincoln's
6 federalism would rest that nonspecific local
7 control.

8 The current 1947 Constitution is a
9 retrospective document that attempted to fix the
10 problems of a then-hundred-and-three-year-old
11 constitution. In actuality, it worsened the
12 nonspecific home rule problem by including the
13 phrase:

14 Statutes conferring power to local
15 government shall be construed in their
16 favor.

17 The result of the New Jersey's
18 amorphous home rule, not defined in the
19 constitution, state law, or case law, is the primary
20 cause of runaway property taxes. It has resulted in
21 the Balkanization (sic) of New Jersey's governments,
22 producing 1,635 political units; the largest number
23 as measured by land area of any state. That number

24 is both inefficient and now unaffordable.

25 For example, we have the most state

30

1 and local employees per square mile, 55.6, versus a

2 national average of 4.1. Of the 556 municipalities,

3 327 or fifty-eight percent have populations of less

4 than 10,000, and 365 or sixty-five percent occupy an

5 area of less than ten square miles.

6 Similarly, Balkanization has produced

7 606 school districts, resulting in the most

8 expensive system of public education of any state,

9 at more than 12,000 per pupil.

10 Compounding the Balkanization problem

11 is an obviously steady reduction in New Jersey

12 quality of life, due to an absence of insightful

13 state policies. The "construed in their favor"

14 clause not only restricts legislative action, but

15 has also led to a reckless municipal quest for

16 ratables that has produced disastrous consequences,

17 including the most urbanized state and the most

18 polluted stated, the most developed state, et

19 cetera.

20 The structure of New Jersey's local

21 governments is an incredibly expensive anachronism

22 in an age dominated by computer and communications

23 technology. Not only is the structure of local

24 governance unaffordable, it limits --

25 PARTICIPANT: Don't lift her up.

31

1 Don't lift her up. Never lift anybody up, please,

2 let them get up themselves.

3 (Participants confer)

4 MR. VAN HORN: Okay. Continue. Thank

5 you.

6 MR. HILLER: Not only is the structure

7 of local governance unaffordable, it limits overall

8 state strategic planning because the Legislature's

9 hands are tied. That could improve quality of life

10 in New Jersey.

11 An example of a constitutional change

12 that can fix our problem and reduce property taxes

13 by \$10 billion a year. The corporate world has used

14 restructuring quite effectively, and it should be

15 used here. We can, by redrawing municipal

16 boundaries into twenty, forty, and sixty-square-mile

17 municipalities, reduce the 566 to 184. When we do

18 that, we have one school district per municipality,

19 reducing the six to 184.

20 We take all of the special taxing

21 districts, where, you know, 3,000 people in Cherry

22 Hill go out to vote for a fire district when there's

23 70,000 residents; and that's true all over New

24 Jersey, and we take all of the local public

25 authorities, the back-door taxing that goes on, and

32

1 merge them into the municipalities, ladies and
2 gentlemen, that's \$10 billion. We don't have to
3 raise any other taxes, we don't have to change any
4 laws. We have to change the constitution.

5 I left a full document and a -- I did

6 rewrite a draft of the constitution that you may

7 find amusing. Thank you.

8 MR. VAN HORN: Thank you. Thank you,

9 sir.

10 (Applause)

11 (Participants confer)

12 MR. VAN HORN: Jack, I assume that the

13 lady is all right?

14 (Participants confer)

15 MR. VAN HORN: After Mayor Spadaro,

16 Ray Hellings (phonetic) will be the next witness.

17 Welcome, Mayor Spadaro.

18 MAYOR SPADORO: Mr. Chairman, Vice

19 Chairman, and distinguished members of this task

20 force, I'm here today representing the New Jersey

21 League of Municipalities Property Tax Reform

22 Committee, and also the 102,000 residents of my

23 great community, Edison.

24 Before I talk about the -- I guess the

25 task before you, I want to talk a little bit about

33

1 the challenge of managing a community like Edison,
2 which is really no different than any other city in
3 New Jersey. It's impossible to keep your costs down
4 to a point where property taxes do not rise on a
5 steady basis.

6 And if you look around this room
7 today, behind me, many are on fixed incomes, they're
8 senior citizens. That is really just a terrible
9 burden on them, and it puts them in an awkward
10 position at a time in their lives when, really, they
11 shouldn't have to be dealing with the fiscal
12 challenges that they have before them.

13 And in my eleven years as mayor, there
14 have been a number of occasions where I've had the
15 opportunity to meet with seniors who were forced to
16 sell their homes and leave our state because of the
17 burden of taxes. So, really, there's nothing we can
18 do on a local level to change this structure; it's
19 got to be changed by the Legislature or by a
20 constitutional convention.

21 And, obviously, I'm a former member of
22 the distinguished New Jersey Legislature, and I know
23 from my years there that it's easier to cut taxes,
24 but almost impossible to vote for new ones. And so
25 we're here now to talk about a way to get the job

34

1 done, and this convention is the way to do it.
2 As we move forward with the process,
3 your task force has a tremendous challenge. You've
4 really got to come up with proposals for the
5 Legislature which will pass the Legislature. And
6 even though I believe that there is going to be a
7 time when we've got to take a hard look at how we
8 spend our money statewide, whether it be spent for
9 education, for municipal uses or county uses, I
10 don't think the time is now to have a convention to
11 do that, for the simple reason that I think you will
12 embroil yourself in a debate before the Legislature,
13 which will result in no legislation; and, therefore,
14 no convention.
15 So I'm asking this task force to
16 direct this convention to the revenue side;
17 basically, to direct its attention to how the monies
18 are raised, and do it in a way that is revenue-
19 neutral.
20 I'm also asking the task force to come
21 up with a method of electing delegates. I think
22 that's the best way to do it, and I suggest that
23 they be elected in the traditional legislative
24 districts that our residents are used to, that will
25 guarantee a one-man/one-vote system.

35

1 And I remember John -- Senator John

2 Adler has spoken a number of times in support of the
3 constitutional convention, and he's referred to the
4 trust in the people. You know, what a
5 constitutional convention is about is really
6 returning government to the people. And you have an
7 opportunity to set broad guidelines for this
8 convention. But I would leave details regarding the
9 procedures of the election of officers, of how the
10 convention is going to run day to day to the
11 delegates themselves.

12 I'd set a deadline; I'd suggest three
13 months would be a good deadline for the convention
14 to get their job done. It's going to be difficult
15 to get it done in three months, but -- you might say
16 six, but I think three would be good.

17 I also think that you should provide
18 compensation for members of the -- for the delegates
19 because it is difficult for people to be able to
20 afford to give what will probably be a full-time
21 responsibility over a period of months, without
22 being compensated.

23 At the end of the day, I could sit
24 here, as other witnesses have, and talk about
25 proposals, and there are many that you can throw

36

1 out. I've got some comments, but I don't have
2 specific proposals in those comments.

3 But it's clear to me that the thrust
4 of this convention is going to look at how we fund
5 education in this state. In Edison, and in any
6 other city in this state, the cost of education is
7 about sixty to seventy percent of the municipal
8 budget. If this convention can grapple with that
9 issue, come up with substitute revenue sources that
10 are progressive in nature, it will go a long way to
11 solving the property tax crisis in this state.
12 You know, we're in an awkward position
13 now in government because we have groups in Edison,
14 and I'm sure in cities throughout New Jersey, that
15 will stand up and say, whatever you do, we don't
16 want any more kids in Edison. Now, if you can
17 imagine that -- or they'll stand up and say, you
18 know, we don't want any more houses in Edison, not
19 because of traffic, but because of their concern
20 regarding the impact on education; or you may have
21 open spaces that should be preserved, and citizens
22 will say, we should develop that because we need tax
23 revenues.
24 So, not only is the system harmful to
25 the moms and dads and grandmas and grandpas

37

1 throughout this state, but it really engenders
2 terrible public policy. If we can get away from
3 property taxes as a major revenue source, we're

4 going to be able to have sensible public policy
5 built on the -- built on the needs of our residents.
6 And I finish by again repeating
7 Senator Adler's remarks, because I think they're
8 right on point, which is, trust the people of this
9 state. Come up with a format that builds consensus
10 in the Legislature, and trust that the delegates
11 will have the good sense, the good common sense to
12 do what's best for this state, and that this state
13 will ratify in 2006 major reforms to the property
14 tax system that will result in lifting once and for
15 all the terrible burden on our citizens. Thank you.

16 MR. VAN HORN: Thank you, Mayor.

17 (End of Tape No. 1, Side A)

18 (Beginning of Tape No. 1, Side B)

19 MR. HELLINGS: -- thank you for

20 letting me speak today.

21 You've heard here that the property

22 tax is regressive. Actually, it's communism

23 backwards. In communism, you pay according to your

24 ability. In our state, the poor pay the largest

25 percentage of their income for property taxes, and

38

1 the wealthy pay the least. And this is an outrage

2 in a democracy that we supposedly have here.

3 Some people in this state pay no

4 school tax at all. Each additional income into a

5 home is a discount, in essence, on the property tax
6 that we have now, for schools. School taxes should
7 not be raised on property, this has to be obvious to
8 everyone.

9 And I certainly think we should have a
10 constitutional convention, and the goal should be to
11 eliminate school taxes being collected on property.
12 It should be an income tax.

13 As far as control of the spending, if
14 some of you gentlemen here paid the percentage that
15 I pay for schools, I think there would be an awful
16 lot of interest in controlling the school spending.
17 I pay ten percent of my retired income for the
18 schools. Now that's an outrage, and I know a lot of
19 people here don't pay that percentage. I know
20 Christine Whitman paid about one and a half percent
21 of her income for schools, and so she was rarely
22 interested in controlling the cost.

23 School teachers are unionized, that's
24 to say something that's obvious. And it's the
25 largest political action group in the state, they

39

1 raise a lot of money. They hold public office, they
2 go up and make the laws that they go to live by.
3 This increases our spending.
4 Now we should certainly recognize
5 that. And in a constitutional convention, I don't

6 believe that a special interest group that's taking
7 money from the state as an income should have any
8 more of a percentage of representation as their
9 representation as to the population. We should have
10 a ratio on these special interest groups, so that
11 they don't dominate the process.
12 I've come to meetings like this on a
13 Monday night, signed in, and I said, when would I be
14 able to speak, they said, oh, about Wednesday,
15 because they dominated the process. And it was a
16 task force to reduce property taxes. So I can only
17 recommend to you that we try to control these
18 special interest groups that have dominated our
19 public life. Thank you very much.

20 MR. VAN HORN: Thank you, sir.

21 Brian Delabellia (sic)? Did I
22 pronounce that correctly? Dellabella? From -- I
23 think Brian has left.

24 Alexander Esposito, and then Crede

25 Powge (phonetic). Alexander?

40

1 MR. ESPOSITO: I'd like to thank the
2 members of the board for having an opportunity to
3 have contact with them directly.
4 I can only really echo a lot of what
5 Mr. Hiller had said when addressing the board, and
6 also what the last person who testified said, that I

7 think that addressing an issue of income percentage,
8 as opposed to property tax, is really something to
9 consider.

10 My parents are on a fixed income, and
11 their taxes are just a runaway train. They have a
12 difficult time, and there are a lot of elderly state
13 that have a difficult time. I'm not elderly yet,
14 but one day I'll be there, and I'm not looking
15 forward to the situation twenty, thirty years from
16 now when it's absolutely possible. And I see it as
17 an escalating runaway train.

18 I'm a homeowner. I think it's
19 terrific that I've had an opportunity to come out
20 here and address you, but I had no notice about
21 this. The reason that I'm here is because my father
22 got notice, and my mother got notice of this. There
23 are a lot of neighbors in my area that didn't get
24 notice of this, and I'm just wondering how the
25 members of the board expected to have contact with,

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1 grassroots contact with citizens, as opposed to
2 getting contact with special interest groups, people
3 that represent larger groups. I don't know how you
4 promoted it, I don't know how you had intended to
5 reach people on an individual basis, but I think
6 that that might be something that should be
7 considered down the road, if you're going to have

8 contact with the public again like this.

9 I think that the idea of consolidating

10 or restructuring the municipalities is also

11 something that a lot of people in my neighborhood

12 talk about. Certainly, I can't speak for all of

13 them, but the idea that there are so many

14 municipalities and so many boroughs and so many

15 opportunities to have corruption be a runaway train

16 within the boroughs. I'm not going to say anything

17 specific about any boroughs at this time, but I

18 might later address issues in writing to the board,

19 if that's possible.

20 But the idea of consolidating and then

21 having supervision over them is something to

22 consider. I think that if you had to have a task

23 right now of monitoring what happened at town

24 council meetings, and monitored those recordings and

25 had appointed a crew of people to monitor that, that

42

1 would be a daunting task, it would be near

2 impossible. But if you were able to consolidate, it

3 might be easier to get your finger on the pulse of

4 what's going on at those meetings.

5 That's all I have to say. Thank you.

6 MR. VAN HORN: All right. Thank you

7 very much.

8 Mr. Powge, and then Patricia

9 Kellekowski (phonetic).

10 MR. POWGE: Good afternoon, and thank

11 you again for the opportunity to address you today.

12 My name is Crede Powge. In addition to having been a

13 former local elected official, I was also involved

14 with the Coalition for the Public Good. I hope you

15 all had gotten copies of that report; I know Gary

16 obviously has.

17 And we also wanted to thank Senator

18 Adler for coming to one of our meetings, as well.

19 And also thank all of you for your support at

20 various times.

21 From the Citizens Tax Assembly, I

22 think is the example that, if you give the citizens

23 an opportunity, this can get done. We already know

24 how bad the system is. We're advanced greatly from

25 the days where it required fifty pounds of worth in

43

1 order to be able to vote, like it did in the post-

2 revolutionary era. Got that from the state website

3 today.

4 But, also, we know it's an inefficient

5 system. It requires reserve for uncollected taxes

6 from taxes the municipalities have nothing to do

7 with, tax appeals, tax collectors and assessors.

8 Most of the Department of Community Affairs, as well

9 as the whole rebate system is all designed to

10 subsidize this inefficient system.

11 There are some important issues that

12 have come up here: One of them is timing, whether

13 the election for delegates is in November of 2005,

14 or in March of 2006. I strongly urge you to

15 consider November of 2005; legitimacy is going to be

16 very important. If we wind up with delegates who

17 are elected by a ten percent turn out; which, for

18 instance, is what the school board elections get;

19 yet, they already control sixty percent of the tax

20 bill; or even less of a turnout, like our fire

21 district elections get, I think that's going to be a

22 problem, as well as giving the delegates time to

23 consider what's in front of them, and being able to

24 come up with a coherent set of recommendations for

25 the November 2006 ballot.

44

1 Also, we should keep in mind that the

2 high hopes of the special election getting more

3 coverage; we don't get coverage from Philadelphia

4 and New York TV, which is what most of us deal with.

5 We have enough of a problem with that for the

6 Legislature, as well as even for senator and

7 gubernatorial races.

8 Finally, for the poison pills, if it's

9 an all or none, and something small is inserted in

10 there, and that gets seized on, we lose what is a

11 magnificent opportunity. If we're addressing
12 spending, certainly -- and I don't want to come
13 across as attacking the Legislature here, but
14 certainly the Legislature can handle at least one-
15 half of this problem: Handle the spending. Let the
16 citizens handle the tax recommendation, how to pay
17 for this. If it's revenue-neutral, then no one's ox
18 is getting gored on that.

19 And, again, also making sure they have
20 the opportunity to address statutes, as well as
21 constitutional amendments, to make sure they're able
22 to cover the whole piece of this.

23 Finally, for campaign finance and
24 single issues, to make sure that this is not
25 controlled by simply those people who are afraid,

45

1 whether -- again, not to oversimplify, but whether
2 it's the chamber of commerce afraid that income
3 taxes are going to go through the roof, or those
4 people who are paid from the property tax system.

5 Include a per diem. Don't have
6 sitting legislators serve.

7 Again, there's been the opportunity
8 since *Robinson v. Cahill* to address this, and it has
9 not happened in a substantive way. Also, it keeps
10 the legislators from having to worry about
11 campaigning or what you did or didn't do in a

12 convention. Let the citizens handle it, and then

13 the voters will get to decide.

14 So, again, please have faith in the

15 citizens, give them a real chance, and thank you

16 (indiscernible), Mr. Chairman.

17 MR. VAN HORN: Thank you.

18 Patricia Kellekowski, and then R.

19 Stockwell.

20 (Participant not adequately recorded)

21 MS. KELLEKOWSKI: Pat Kellekowski, I'm

22 a resident of Long Beach Township on Long Beach

23 Island.

24 Long Beach Island, as you know, is a

25 resort community. We share school services with a

46

1 regional high school on the mainland, Stafford

2 Township.

3 For all intents and purposes, the

4 numbers that have been quoted in the paper, are that

5 Long Beach Island sends twenty percent of the

6 students to this regional high school, and we are

7 paying eighty percent of the bill.

8 Stafford Township is a year-round

9 community, as opposed to our resort community. The

10 island -- the mainland continues to grow. We're an

11 island; we're not going to grow anymore. We are

12 footing the bill for the growth on the mainland,

13 while sending a fraction of these students.

14 Just for shock value, I will give you

15 some figures that a local official about a year ago

16 was quoting in the paper as giving. The premise was

17 that some of these students from these townships

18 could have had an education at Harvard. When you

19 hear these numbers, they'll be shocking.

20 When they broke it down per student,

21 students from the island to the mainland school, the

22 students in Beach Haven maybe were paying about

23 \$37,000. Students from Barnegat Light, 49,000;

24 89,000 for Harvey Cedars, and 98,000 for Long Beach

25 Township, twenty-eight for Ship Bottom, thirty-nine

47

1 for Surf City. It came out to about 3,200 per

2 student for staff (sic), it's patently unfair.

3 Now the figures could be skewed, it

4 was an article in the paper, it was intending to

5 make a point. It made a very good one.

6 A subsequent article in the press last

7 year actually quoted a business administrator from

8 that township, from the high school, and basically

9 what he said at the time, in the township I live in,

10 there were 364 students in the district, compared to

11 about 1,100 Stafford children. What that means is

12 that -- is that Long Beach Township pays \$47,000 to

13 send one student to the school district, compared to

14 5,000 from Stafford Township. It's a lot.

15 We made this task force to find other

16 viable ways to pay for educating the students in New

17 Jersey, one that doesn't force people to sell their

18 homes in communities that they love to escape the

19 rising school taxes.

20 A gentleman that spoke earlier brought

21 up a very good point. If I hadn't received an e-

22 mail from one of the citizens groups that I belonged

23 to, I wouldn't have known about this meeting.

24 I hope you will tap into the civic and

25 homeowners associations all around the state to be

48

1 on future committees or to serve as delegates at a

2 convention, a constitutional convention, because

3 these are the people that are the pulse of the

4 neighborhoods. Thank you.

5 MR. VAN HORN: Thank you.

6 Mr. Stockwell, and then -- Mr. Vice

7 Chairman, do you want to take a stab at that?

8 MR. STOCKWELL: My name is Robert

9 Stockwell from Carneys Point. I live across the

10 street from the third -- one of the third poorest

11 districts in the state, Pennsgrove, New Jersey. And

12 we have a similar problem to the lady that just

13 said. Carneys Point tends to put out between sixty-

14 five and seventy percent of the school budget for

15 the two municipalities. We're a regional district,

16 also.

17 But what I did was I approached this

18 in a different way, and I'm going to leave some

19 copies here of a little graph I made today of my

20 last four years' property taxes, and it's very

21 interesting.

22 What it shows that of the taxes,

23 property taxes paid, fifty-two percent average; and

24 the gentleman up there who testified earlier also

25 came up with fifty-three percent for his area, is

49

1 for education. The municipal budget tends around

2 thirty-four percent, and the local purpose tax

3 about, I'm not sure you're going to believe this,

4 .14 percent. So, again, I'll be the fifth person

5 testifying, school budgets seem to be the problem.

6 There's a thing that we need to

7 recognize about school budgets. Our district votes

8 them down almost every year, votes it down. And the

9 township and the municipality, the Borough of

10 Pennsgrove, the Township of Carneys Point have to

11 get together to talk about the budget, check it

12 back, right, cut some things.

13 Guess what happens? The school board

14 can go to the state and say, we need this money, and

15 then get whatever monies that they want, or whatever

16 monies they propose. We have no control after we

17 vote it down.

18 I'm not against educating the

19 students; as a matter of fact, I'm a school

20 psychologist. Here's the problem. We have two

21 questions that we need to answer:

22 Number one, and this should go to the

23 heart of what you're looking her at this convention,

24 this consortium here of advisors. Number one: What

25 is the cost of the present property tax rebate?

50

1 Would we save money by changing the way we do

2 property taxes?

3 Number two: We want to look at school

4 districts, how many school districts do we have.

5 And we have several school districts in this state,

6 the only state that I know of that has school

7 districts and school boards that have no schools.

8 What do we have, twenty some? There's quite a few.

9 And if you'd average just the superintendents' pay

10 about \$100,000 a year, that's a lot of money.

11 So I want to leave you this chart, and

12 I think it's interesting and nice that you all sent

13 out some letters for some of us to, you know, talk

14 about this and bring our points up.

15 My question is, like two members just

16 said, why were only certain people notified, number

17 one. I'm concerned that the school boards weren't
18 notified because I know that you know that the
19 school budget is at least fifty percent, at least
20 fifty percent of every municipality, borough, and
21 township.

22 Thank you again for the hearing, and
23 good luck, gentlemen.

24 MR. VAN HORN: Thank you. Our next
25 witness, I cannot read the name, but the address is

51

1 Heather Court, it's a retired person. Okay. Well,
2 then you're welcome to come on down, take your time.

3 MS. RESTREPO: Can you hear me?

4 MR. VAN HORN: No, I cannot -- we
5 cannot hear you, ma'am. If you need an escort down,
6 we'll help you do that.

7 While you're coming down, perhaps

8 Richard Edgar could come forward. Is Richard Edgar
9 here?

10 (Participants confer)

11 MR. VAN HORN: Oh, you have a mike.

12 MS. RESTREPO: Hello?

13 MR. VAN HORN: Okay, good. Thank you
14 very much. Okay.

15 I am sorry.

16 MR. VAN HORN: Please introduce

17 yourself, and then after that, Mr. Edgar, come on

18 down if you can.

19 MS. RESTREPO: My name is Blanca, N

20 for Nellie, Gonzalez Restrepo (phonetic).

21 MR. VAN HORN: Uh-huh.

22 MS. RESTREPO: And I come here to make

23 a very wonderful proposition, that we, the senior

24 citizens, that we don't have children, and that we

25 don't have \$300,000 income, should not pay any tax.

52

1 I have been a member of the board of

2 education for fifteen years in Middlesex County, and

3 New Jersey School Boards Association, and I know the

4 situation with the teachers who do not teach, or

5 they -- the teachers that are appointed for

6 positions that they cannot afford.

7 Right now, we have in Atlantic County

8 teachers that are supposed to be teaching Spanish;

9 however, they don't speak Spanish, they speak

10 Italian. So that's why the children cannot even

11 learn those languages. And if we are not teaching

12 the children, why are we paying such a taxes?

13 When I bought this last property, I

14 used to pay \$1,500 taxes. Right now, I am paying

15 4,500 taxes because, every year, the municipality

16 builds a beautiful building with a swimming pool,

17 with this. Because what? Because they senator or

18 they congress -- the assemblyman, they have -- they

19 send the children to the public school, and they are
20 there, fighting for the money to have this. Every
21 year, they build a new building, one hundred
22 thousand, million building. That is in, already
23 coming with another one. They just finish one; now
24 they have another one. And they have to have the
25 best football team, the best this and the best that.

53

1 I mean, they should teach the
2 children, so that they at least learn how to read
3 and how to write. And I think it's a -- it's a
4 shame that we are in the country that is the richest
5 country in the world, and when we, the senior
6 citizens, still seventy years of age, still are
7 paying \$4,500 a year taxes.
8 When I bought the property, that was
9 exclusively for elderly, an elderly community.
10 Right now, all the people who work in the casinos
11 are there because this had to change. This is the
12 municipalities, they change.
13 In two miles, we have three different
14 municipalities. Everyone is competing with the
15 other one, which is the highest expensive building
16 that they are going to have. Three different
17 municipalities. I live in front of one, the other
18 ones lives on the right side, the other one is here,
19 because we want to be the best.

20 So I hope that you have a
21 consideration. And I see there is only one lady
22 there in that table, and I am wonder, you know. We
23 should be more women there because, you know, I know
24 you are all very important gentlemen, but that's not
25 the case. Very important to increase everything and

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1 to spend more money because you need more money.
2 It's very understandable.
3 But the thing is we are coming, like
4 somebody else said before, that the less winners are
5 paying the highest. Because like right now, they
6 converted that property where I live into for
7 everybody, for all the casino employees and for all
8 the -- we -- in an apartment in front of mine, in a
9 condo, fifteen people living there, all because
10 (indiscernible) best school, there are five children
11 going to school, children that are unattended by the
12 parents because the parents are very busy working in
13 the casinos, so they -- the bus brings the children,
14 the children are hanging around, destroying
15 properties and doing whatever they have.
16 That is the jungle right now there, to
17 live. And it's very expensive. I think it's very
18 expensive. I found that very expensive to live
19 there. And then, wherever you go, I think it's
20 going to be the same. I hope --

21 MR. VAN HORN: Thank you. Thank you,

22 ma'am.

23 MS. RESTREPO: I just --

24 MR. VAN HORN: Thank you. Could you

25 summarize your remarks?

55

1 MS. RESTREPO: I hope that, for the

2 next one, you have more women representing, women

3 also, because it's impossible that you can speak for

4 all of us. I thank you very much.

5 MR. VAN HORN: Thank you, ma'am.

6 Thank you.

7 Richard Edgar, and then Richard

8 Floorbeck (sic) -- or Flobech. Excuse me. Mr.

9 Edgar? Thank you.

10 MR. EDGAR: First of all, the name is

11 Richard Edgar, I'm from Gloucester Township. And

12 just from a layman's point of view, we can no longer

13 afford the property taxes as they now exist, and I

14 know everybody sitting up there is well aware of it.

15 Why I'm here also, John and Joe, on

16 the property tax reimbursement, there's language in

17 there stating "budget permitting." See if you can

18 get that language out of there, please. Because if

19 the money isn't there next year, we're not getting

20 it, and it has been a big help.

21 In the Gloucester Township, I pay --

22 in property taxes, I pay the county tax, I pay a
23 library tax, I pay a fire company tax, I pay the
24 township tax, and I also pay the school tax.
25 The fire districts, for example, we

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1 have six of them, but each one -- each of them has a
2 different tax base; they're not all the same, and
3 that's ridiculous. The fire district that serves
4 where I live, if I lived a mile up the road, I would
5 pay almost \$100 less a year than I have to pay to my
6 fire district. That's how out of hand things are, I
7 don't know if you're aware of this.

8 What I'm going to say to you is, do
9 everything you can to help us. And I'm not just
10 talking seniors. I'm not one of those seniors who
11 doesn't want to help pay my fair share to put the
12 kids in school, I'm not one of them. I don't mind
13 paying for the kids. My kids went through the good
14 school system of New Jersey, and I don't begrudge it
15 to other kids, but it has to be more affordable.
16 And I'm just talking off the cuff, nothing
17 rehearsed.

18 I traveled the world, I worked for
19 International Press out of London, England. As a
20 matter of fact, I just -- last year, I was in
21 Indonesia -- and I'm not here to talk about myself,
22 but I'm doing this for a purpose. I was in

23 Indonesia, Burma, Pakistan, Malaysia, Thailand. In

24 '97, I bought a house in Thailand; and I'm not

25 allowed to own property, it has to be in a native's

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1 name over there.

2 There is no property tax, none at all.

3 And the reason I bought it in '97 is, I was

4 seriously thinking of relocating over there and

5 retiring. But my three sons have put so much

6 pressure on me, the house is rented out, and I

7 haven't done it. But that's why I bought the house.

8 But what I'm trying to point out, they

9 make less than \$10 a day in Thailand, a third-world

10 country. Yet, there's no property tax. Go figure.

11 And all I'm saying in closing is, do

12 everything you can, as far as -- I know it's not

13 really in your hands. You're only making

14 recommendations, I believe, to the delegates, to

15 whether or not there will be a constitutional

16 convention. And correct me if I'm wrong. What is

17 your role? I'm confused.

18 MR. VAN HORN: To make

19 recommendations.

20 MR. EDGAR: To make recommendations.

21 All right. Well, as you can see, just

22 by bringing up the fire company, the tax system is

23 unfair.

24 The school here, for example, they

25 just -- they passed a budget, very low turnout of

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1 the voters, but they passed it through scare

2 tactics. And, believe me, they used a lot of scare

3 tactics. They even removed the police out of the

4 two -- three high schools, saying they couldn't

5 afford it anymore. Now Gloucester Township is

6 taking out of their budget to put them back into the

7 schools. The scare tactics were so bad that people

8 were afraid not to vote, especially those with

9 children.

10 But, at the same time, they also,

11 since the budget was passed, they appointed three

12 assistant superintendents, since the budget was

13 passed. They also made some more vice principals.

14 Go figure. Thank you.

15 MR. VAN HORN: Thank you, sir.

16 Richard Florech (phonetic), thank you.

17 And Raymond Pohl, P-o-h-l. Mr. Florech.

18 MR. FLORECH: Thank you, panel

19 members. I've been observing your body language and

20 your eyes as each of the speakers spoke, and I want

21 to thank you for your attention. We appreciate it.

22 There's an expression that goes, you

23 can never go home. This past year, that has given

24 me new meaning. I'd like to tell you the story of

25 two families affected by our property tax.

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1 My sister-in-law Ellie and brother-in-

2 law Rich have lived in New Jersey their whole life.

3 They're working-class people. They bought a home in

4 Marlton about thirty-two years ago. Rich was a

5 truck-driver; Ellie was a stay-at-home mother.

6 Their whole lives were that house. They raised

7 three children, put through the school system three

8 children.

9 Last January, on a trip to Florida,

10 they made the decision, because they could not

11 afford to live in New Jersey, to buy a home in

12 Florida. It was cheaper, their expenses are going

13 to be much, much affordable. They made the

14 decision, scary as it sounds, without having any

15 jobs to go to, because they knew they could not

16 afford to live in New Jersey.

17 They can never go home to that house

18 that they put their whole lives. To Rich, the

19 truck-driver, this was his house. He had to move

20 out.

21 Tomorrow, we're getting on a plane, my

22 wife and I, to their home in Florida, to help them

23 move into this new dream. It's sad.

24 The other family is my wife and

25 myself. We retired about nine years ago. We are

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1 not impoverished; we are probably middle-class

2 retirees. We thought we had expenses under control.

3 We do not intend to move to Florida or Arizona or to

4 a near golf course in the Carolinas. But we know

5 that we will not be able to continue to live in New

6 Jersey. We will probably end up in Delaware or

7 Pennsylvania, because we can't afford to live in our

8 home. Thank you.

9 MR. VAN HORN: Thank you, sir.

10 Raymond Pohl --

11 (Applause)

12 MR. VAN HORN: Raymond Pohl, and then

13 Victor Gilson (phonetic). Mr. Pohl.

14 MR. POHL: Thank you for the privilege

15 of giving testimony. My name is Raymond Pohl, and

16 I'm a senior citizen, residing in a senior community

17 in Lakewood. During the five years I've been a

18 resident in my community, I have watched my property

19 taxes increase over forty percent. But, needless to

20 say, my pension has not increased one iota during

21 these years. My fellow seniors and I are

22 overwhelmingly behind real property tax reform, and

23 the route of a one-issue constitutional convention

24 is the only way to achieve it.

25 I would like to speak to one issue

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1 concerning the convention, and that is the role of
2 legislators at the convention.

3 First, I'd like to thank Senator John

4 Alder and former Senator Bill Schluter for their

5 work in bringing the idea of a convention to the

6 forefront. I hope they take no offense at my

7 forthcoming remarks.

8 I am not in favor of including

9 legislators as delegates to the convention. It's an

10 undeniable fact that our legislators, current and

11 past, have for decades to address the problem of

12 runaway property taxing -- taxes, and have chosen to

13 take the path of least resistance, and that is to do

14 nothing.

15 Politicians, by the very nature of our

16 political system, are forced to focus on winning the

17 next election, and seeking economic truth is not

18 priority. I believe it is too much to expect that

19 past and current legislators who have not taken the

20 bold action necessary to bring about fundamental

21 change will themselves suddenly change.

22 A constitutional convention is a rare

23 and solemn affair, as our governor has said in his

24 opening remarks to you. It is -- it must be an

25 engine of change. The convention cannot be allowed

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1 to degenerate into political squabbling and
2 infighting; thus, the convention must be apolitical.
3 If the convention is to be apolitical,
4 the delegates must be apolitical and not influenced
5 by party contributors, lobbyists, and special
6 interest groups.
7 The fundamental changes which must be
8 made at the convention will, by their very nature,
9 anger and offend segments of our population and
10 special interests. Hard choices and difficult
11 decisions can only be made by independent delegates
12 who are not obligated to any special interest,
13 except total reform of an out-of-control system.
14 The convention will probably overlap
15 with the sessions of our Legislature, and
16 legislators who would be delegates would, thus, be
17 forced to divide attention. This would not benefit
18 our citizens, who have elected their representatives
19 to legislate.
20 Finally, I believe it's a legislator's
21 best interest not to be a delegate to the
22 convention. It's a foregone conclusion that the
23 changes necessary to reform this system will involve
24 hard choices that will not be palatable to some
25 segments of our population, and not being a delegate

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1 will allow politicians to distance themselves from

2 the hard choices that have to be made.

3 In conclusion, I suggest the task

4 force in your report to the Governor strongly

5 recommend no current or former legislator be a

6 delegate to the convention.

7 Thank you for allowing me to express

8 my views, and thank you for giving your time to this

9 difficult assignment.

10 MR. VAN HORN: Thank you, sir.

11 (Applause)

12 MR. VAN HORN: Mr. Gilson, Victor

13 Gilson, and William Carlton, Jr., after Mr. Gilson.

14 MR. GILSON: Thank you. Thank you.

15 My name is Victor Gilson, I am superintendent of

16 schools in Bridgeton, New Jersey, which is one of

17 New Jersey's Abbot districts, which I've heard a lot

18 of discussion over the years and of late. I'm a

19 graduate of Bridgeton High School, where I'm now its

20 superintendent, and I proudly say that.

21 I can tell you that the complexion of

22 that community has changed quite a bit in the thirty

23 years since I graduated, and I am concerned that a

24 constitutional convention is simply a back-door

25 attempt to overturn years and years of

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1 discrimination against blacks, latinos, and other

2 minorities in New Jersey, which the Abbot decision

3 is based upon remedying.

4 There is a direct correlation between

5 socioeconomic status and child performance in

6 school. We have known that since 1964, with what is

7 called the "Coleman Report." The richer and

8 wealthier the district is, the better the

9 educational system the children will receive in that

10 district, if you rely simply on the prior methods of

11 taxation. We know that; it is an unqualified fact.

12 The Comprehensive Education Funding

13 Act of New Jersey; commonly called "CEFA," has never

14 been funded by the Legislature. If it were funded,

15 you would not see much of the squabbling and arguing

16 that goes on between the so-called Abbot districts

17 and other non-Abbot districts, which are sometimes

18 called the "suburban districts."

19 The quality of a child's education

20 should not be determined by his place of birth. I

21 am concerned that the little phrase in our

22 constitution called T and E; thorough and efficient,

23 that the sole purpose of this convention is to

24 eliminate the T and E phrase from our constitution.

25 Then, if you are able and if you are successful in

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1 doing that, you can then overturn the Abbot

2 decision, because the Abbot decision is based

3 primarily on that one phrase in the constitution,

4 guaranteeing all children, regardless of where they
5 live in New Jersey, a thorough and efficient
6 education.

7 And let me say that we refer to "the
8 Abbot decision." If there is a willingness on the
9 part of the legislation in New Jersey to fund
10 education appropriately, there may have been one
11 Abbot decision. Let me remind you, there have been
12 ten Abbot decisions because there is not a
13 willingness to do what is right for education in New
14 Jersey.

15 Let me also remind you that, over the
16 last twenty years, education, the percentage of
17 money spent on education compared to the total
18 amount of money raised through taxation in New
19 Jersey has been flat for two decades. Let's not
20 confuse property taxes as being the only way that we
21 can fund education in New Jersey. At last count, I
22 think there were eighteen other taxes available to
23 us in New Jersey, as there are in other states, that
24 we can use to fund education in New Jersey.

25 So, if past is prologue, absent a

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1 court order, based on the current constitution, we
2 will not adequately fund education in New Jersey.
3 Thank you.

4 MR. VAN HORN: Thank you, sir.

5 (Applause)

6 MR. VAN HORN: Mr. Carlton, followed

7 by Dick McCarthy.

8 MR. CARLTON: Good afternoon. Good

9 afternoon, Mr. Chairman, members of the panel. I

10 want to thank you for all of your efforts and

11 everything that you're doing to help us within our

12 state. And I commend you greatly.

13 I am not going to recite again all the

14 litany of the hardships and the problems that you've

15 already heard; however, I do have a condition I

16 would like to lay before you.

17 We have gone through and listened to

18 so many problems that our state is facing with our

19 real estate taxes. I ask a question. What we've

20 done in the past, is it the way that we want to do

21 it in the future. What I would like to lay before

22 you is a very simple program, one that will abolish

23 real estate taxes as we know it: Look to our sales

24 tax, not an income tax.

25 Income tax, folks have a way of

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1 working them downward with deductions. A sales tax,

2 can come -- whether it be a quarter point, a half a

3 point, whatever it's going to take, it will level

4 the playing field, take the burden from our seniors,

5 give our homeowners a chance to regroup, to

6 recapture the American dream.

7 That the properties that we own is our

8 nest egg; that is where we rely on our futures.

9 Right now, we don't have that ability. Give it back

10 to us. Look toward a sales tax, rather than an

11 income tax, and to make it move forward. And I

12 trust that you will put some weight to my

13 suggestions and to give us the break that we're

14 looking for. Thank you, gentlemen.

15 MR. VAN HORN: Thank you.

16 Dick McCarthy, and Dolores Prokapas

17 (phonetic).

18 MR. MC CARTHY: Good afternoon, ladies

19 and gentlemen. I'm Dick McCarthy, I was formerly

20 from Burlington Township, now from Sicklerville.

21 I'm neither in favor or against a tax

22 convention. But I know that we need property tax

23 reform. If we are going to have a convention, you

24 have to look at what has happened in the past.

25 In 1942, there was a constitutional

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1 submitted to the people, and the people rejected it

2 because a group of people opposed it. If you're

3 going to submit something to the people, I'm sure

4 it's only going to be one proposal. You can't

5 submit two because you're not going to get a

6 majority. One proposal. And if that's defeated,

7 we're going to be back where we are before -- right
8 now.
9 For nearly twenty-five years, I was a
10 tax collector for Burlington Township. My interest
11 in property tax reform began during my second year
12 in office. I was forced to put a lien on the
13 property of two residents of the township:
14 One property was owned by an elderly
15 black couple who did not seem to have enough money
16 to fund -- to fund food, much less taxes.
17 The second property was owned by a
18 woman whose husband had died, recently died. She
19 had never worked, never paid the bills, and her
20 income had been reduced drastically.
21 I did not foreclose on these
22 properties because a total stranger came forward and
23 paid them. There is something wrong with this
24 system, I thought to myself. How can we, as
25 Americans, take away the homes of our fellow man.

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1 I've been trying to reform the property tax ever
2 since, filing about three or four lawsuits against
3 the -- including the first one of -- of school
4 funding.
5 I started with a realization that New
6 Jersey doesn't tax clothing, food, or medicine
7 because these are necessities. Why then, I

8 wondered, why are homes taxed. My home is even more
9 of a necessity than the food or medicine.
10 I'm going to skip a little. The
11 delegates adapted our present constitution's tax
12 clause because it would guarantee all taxpayers
13 would share the tax burden equally and uniformly,
14 and it would provide the state with a tax clause
15 giving them the flexibility to meet all financial
16 emergencies.

17 A detailed explanation of every
18 constitutional amendment was mailed to all
19 registered voters. In spite of that, the change was
20 that property shall be assessed according to the
21 same standard of value. The Legislature turned
22 around and defined the same standard of value to be
23 true value, putting us back to where we were before.
24 The reason they dropped the true value
25 standard was because of the lawsuits involved and

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1 the lack of equity involved. As long as you're
2 using a true value standard, you cannot have equity
3 in the property tax.
4 If all else fails, a lawsuit that
5 would have to be taken up to the United States
6 Supreme Court would say that the property tax must
7 be taxed equally and uniformly in order to be
8 compatible to the federal constitution, as well as

9 to the state constitution. It is not.

10 So we're going to have a tax

11 convention, and we're going to have a constitutional

12 amendment. How are you going to control it if the

13 Legislature, to effectuate that, will turn around

14 and nullify what the delegates have said that, what

15 the people have voted for, and we still have -- all

16 the problems we've had before, going back to Woodrow

17 Wilson? And Woodrow Wilson described the tax

18 assessors as a law unto themselves.

19 The only way we're going to do it is

20 to come back with an equitable system, a fixed and

21 measurable standard of value. In California, it is

22 the selling price of the home. I don't approve of

23 this, but that's something that has to be looked

24 into. The size of the property is another proposal.

25 The use of the property, the possibility of

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1 exempting residential property -- owner-residential

2 property from taxation, owner-occupied property.

3 Commercial property would be assessed

4 according to the income that's produced in a prior

5 year.

6 Vacant land. We're spending a lot of

7 money now on vacant land in order to preserve open

8 spaces. Why tax it in the first place? The reason

9 for the property tax was to elevate the property to

10 the highest economic value, force people to do it.

11 We don't want to do that now. We have to preserve

12 open space. We are realizing that people are going

13 to use this property for more things than just

14 living. Thank you, gentlemen.

15 MR. VAN HORN: Thank you, sir.

16 Dolores Prokapas. Do I have that

17 right? Okay. And Vincent Grosso (phonetic) after

18 that.

19 MS. PROKAPAS: Good afternoon, Mr.

20 Chairman and members of the task force. I am the

21 Gloucester County grassroots coordinator for New

22 Jersey AARP; and, as a lifelong resident of New

23 Jersey, I am most concerned about property tax

24 relief. Property tax relief is part of the AARP of

25 New Jersey agenda for the year.

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1 As a senior on a fixed income, I'm

2 concerned about the way in which property taxes has

3 devoured more and more of my disposable income. We

4 need property tax relief for the middle class. I

5 know we have a property tax freeze, I know we have

6 other assistance for lower-income people. But, as a

7 middle-class citizen, my disposable income, and I am

8 retired, is being more and more absorbed by property

9 taxes.

10 As a former educator, I am also

11 concerned about the way in which education will be
12 funded, how will the convention address this issue;
13 and, at the same time, bring property tax relief for
14 seniors? That's all I have to say. Thank you.

15 MR. VAN HORN: Thank you very much.

16 Mr. Grosso.

17 (Participants confer)

18 (End of Tape No. 1, Side A)

19 (Participants confer)

20 MR. VAN HORN: Try that again.

21 MR. GROSSO: Is that it?

22 MR. VAN HORN: Yeah, that's very good.

23 Yeah, it's very good. Thanks.

24 MR. GROSSO: Okay. My name is Vincent

25 Grosso, I live in Washington Township, I'm a

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1 representative for the senior citizens advisory

2 council of that township. I am retired. I had been

3 a fiscal analyst for Thomas Jefferson University.

4 It was my responsibility to raise funds for the

5 hospital. I was on a school board in Washington

6 Township, 1970, 1974, and again in 1998 to 2001.

7 I've been a resident of New Jersey for

8 forty-five years. I've seen my taxes go from \$235 a

9 year to \$3,700 a year for the same house; it's a

10 forty-five-year-old house.

11 I don't think this convention is

12 really necessary. The state has the money to take
13 care of all these fiscal problems; they're just not
14 using it.

15 In 1966, they introduced the sales tax
16 to support the school system. They've been
17 collecting the money all this time, but haven't been
18 using it for that purpose. As a school board
19 member, I realized that, and I saw it firsthand.

20 In 1976, the state introduced the
21 income tax to support the school system. The state
22 has been collecting that money since 1976. The
23 school districts have not been seeing that money.
24 There are special -- what the state
25 called the "sin tax," on fifty cents on every pack

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1 of cigarettes to support the school system. The
2 state has been collecting it. The school districts
3 have not been getting any of that money. The
4 question is: What's happened to that money, where
5 did it go?

6 This convention that you're talking
7 about, I reviewed the process. I estimate it's
8 going to take at least five years. And if it is
9 approved, it's not mandatory. The Legislature could
10 ignore it. So I think it's an exercise in futility.
11 The state has the money, they have had
12 the money, not using it the way they had promised

13 us. I think your efforts should go to find out what
14 happened to that money and correct the situation.
15 That's the direction you should go.
16 As far as I am a senior citizen now,
17 as you can tell, my income has dropped sixty percent
18 when I retired. But taxes keep going up. As a
19 senior, it's not that I do not want to support the
20 school system; I don't have the money to do it. And
21 I told our legislators a few years ago, where are we
22 supposed to get his money, steal it or sell dope.
23 The state has the money. Use it for
24 the purpose for which it was designed. I think this
25 is a waste of time and taxpayers' money. Thank you

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1 very much.

2 MR. VAN HORN: Thank you, sir.

3 (Applause)

4 (Participants confer)

5 MR. VAN HORN: Mr. -- is it St.

6 Lawrence? Okay. Thank you.

7 MR. ST. LAWRENCE: Good afternoon

8 (inaudible) --

9 (Participants confer)

10 MR. ST. LAWRENCE: Good afternoon, and

11 welcome to our wonderful town. I'd like to thank

12 all of you for coming to Gloucester Township, it is

13 just a wonderful place to be.

14 The question, should we or should we
15 not; the answer is, yes, we should. We should have
16 this convention, we should have it as quickly as
17 possible. It's important.
18 Everywhere we go in this town -- I
19 represent -- I'm a councilman here in Gloucester
20 Township, and I represent the sixty-five-thousand-
21 plus people, and every one of them are brutalized by
22 the taxes. It is an equal-opportunity bully, and it
23 does not have regard for socioeconomic status. So
24 it is important that we take a serious look at it.
25 We are trying very hard to grow a town, and the

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1 taxes are becoming onerous. It's very, very
2 important.
3 We also have to look at the way we
4 fund the school districts, there's no question about
5 that. We must fund our education system, but the
6 question is, how do we do that.
7 In our town, I'd like us -- I'd like
8 to see a way that we can help some of the -- get
9 some of the funds from Section Eight to accommodate
10 some of the numbers of children who are normally --
11 would normally be in a household, are now in
12 different circumstances. So more children come in
13 than we can collect taxes to pay for. So some of
14 that money going to the landlords should perhaps go

15 back into helping some of the property taxes.
16 I think we also need to look at the
17 casino reinvestment funds, and see how some of those
18 funds can be channeled back into the education
19 budgets to at least pay for the state-mandated
20 programs. That's another area that we really have
21 to adjust. It's nice to say a school board must do
22 something; it's another thing to figure out, where
23 do you get the money. And it's time to take a
24 serious look at that aspect of it.
25 I also think that we should have none

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1 of our elected legislators, current or past, as
2 delegates.
3 I also firmly believe that every
4 socioeconomic group should be represented in some
5 way as delegates in this operation because we need
6 to have that grassroots. I trust the citizens of
7 the State of New Jersey; after all, they elected
8 most of the people here, so they have some good
9 choices. So I think they can handle looking at
10 intelligent and logical ways.
11 I've walked this entire township with
12 Senator Madden and with Bob Smith, and also Dave
13 Mayer (phonetic), Assemblyman. And everywhere we
14 go, we hear the same sad stories, and I'm not going
15 to tell you the stories over and over and over, but

16 it is truly important that we look at that.

17 Thank you so very much for your time,

18 and enjoy some of our wonderful eateries here in

19 Gloucester Township on your way home. Thank you.

20 MR. VAN HORN: Thank you.

21 Sarah Davis, and then Dr. Joseph

22 Schlage (phonetic), if I have that correct.

23 And, members of the panel, we have

24 approximately six people, including those I called,

25 who have signed up yet to testify.

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1 Sarah Davis. Hi. Thank you.

2 MS. DAVIS: Good afternoon, Mr.

3 Chairman.

4 MR. VAN HORN: Good afternoon.

5 MS. DAVIS: And to the task force. I

6 thank you for allowing us to be able to express our

7 concerns about tax reform.

8 I am a member of the Camden City Board

9 of Education, and that makes me a member of the

10 Abbot district. Some of the things that I've heard

11 this afternoon really concerns me.

12 I would like to applaud the President

13 of the New Jersey School Boards who spoke on our

14 behalf, and also the Superintendent of Bridgeton. I

15 thank you for taking in account the things that he

16 has said to you.

17 You'll see that the constitutional
18 convention, I do not believe is the way to go
19 because, if you open it up to the constitutional
20 convention, there's going to be a change in the
21 requirements of the constitution to provide a
22 thorough and efficient education for every child
23 here in the -- in New Jersey, the State of New
24 Jersey. That is -- that is a right that every child
25 in this school -- in this state has. And I believe

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1 that if we open it up to a constitutional
2 convention, that there will be some tampering with
3 the language that deals with thorough and efficient
4 education. So I want to go on the record to say
5 that I oppose the constitutional convention.
6 But I do believe that there has to be
7 something done about property taxes here in the
8 State of New Jersey. I, too, am a senior citizen, I
9 am a retired educator, and I'm a taxpayer in the
10 City of Camden. We pay some of the highest taxes in
11 the county. And out of the city, about twenty
12 percent of the homeowners are senior citizens who
13 are on fixed incomes. There has to be something
14 done about property tax.
15 And I would like to ask, Mr. Chairman,
16 one other question. Is there anyone on the panel
17 who represents education? I guess there's no

18 answer, right? Well, I would like to see someone
19 representing education on the task force.
20 And I would also, as the lady in the
21 back had mentioned, like to see some representation
22 of women. I see we have one lady here, and I think
23 there's -- that does not represent the percentage of
24 women here in the State of New Jersey. And I think
25 there needs to be some women and some minorities on

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1 this task force.

2 Thank you for the opportunity to speak

3 to you, and good afternoon.

4 MR. VAN HORN: Thank you.

5 MS. DAVIS: Dr. Joseph Schlage. Do I

6 have that right? And then Billy Carroll (phonetic).

7 DR. SCHLAGE: Thank you very much for

8 listening to me, and I want to thank most of the

9 people who have had -- are here, and expressed their

10 opinions. Some of them are very, very pertinent,

11 and I think opportune.

12 I have some suggestions and some

13 statements; and, if I'm a little bit too long, cut

14 me off. The suggestions and statements basically

15 are on the basic principles of property tax.

16 There's no question about it that it must be paid,

17 and somewhere around the line we have to support the

18 schools primarily. Someone suggested that they

19 separate the school taxes from the rest of the
20 municipal taxes. This, I think, is a very -- a very
21 good idea.
22 But let me say this. Tax on property,
23 which includes land improvements, should be based on
24 the assessed value and its rate. Property, by
25 definition, should include both land and

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1 improvements as a unit, since both determine the
2 value. The assessment should be based on the
3 property -- on the market value, the sales price,
4 and the appraised value of the property at the time
5 of transfer of property and the subsequent
6 improvements, especially since in most property
7 transfers, the purchaser has determined the value of
8 the property by its purchase price.
9 One of the things which I've noticed,
10 they keep on saying, we're going to change, we're
11 going to raise the assessments. I've seen
12 properties in our neighborhood assessed -- I'm sorry
13 -- sold for as much as six, seven, eight, \$900,000,
14 over a million; and, yet, these properties still
15 maintain the same tax base that they were before.
16 This is wrong. This assessment, I think, should be
17 done at the time of sale and made at that particular
18 point. You can make it permanent for a few years,
19 sort of a tax abatement idea, fine.

20 Number two, to help maintain

21 neighborhood stability and allow those who have

22 purchased their properties under different

23 circumstances to acclimate to the change, and

24 accepting the probable increase in values of

25 adjoining property, its effect on change in

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1 assessments and to more equitably share the tax

2 burden, the assessments of nearby properties should

3 be increased gradually, limited by inflationary

4 changes or two to three percent per year.

5 I have a little more here, but I'm

6 short of times.

7 Schools, I feel, are a state

8 responsibility, but traditionally have been financed

9 with local property taxes, and now with some state

10 supplemental sources. These sources should be

11 delineated better and should be expanded.

12 I would suggest a uniform property

13 tax, set by the state. These monies would be the

14 basis for curricula funding; this would be

15 supplemented with funds from other state sources,

16 sales tax, et cetera. From these sources, the

17 amount remitted to each district would be based on

18 the number of people, rate, and need, and other

19 variables as determined by the Department of

20 Education; for example, special education.

21 It is possible, because a property
22 value may be high, and the number of students low,
23 some communities may contribute more than they have
24 -- will get remitted. This would not prevent the
25 local school boards -- school boards from setting

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1 additional levies for extra-curricularies (sic) and
2 for other services, if the communities so desire.
3 Most important, an abatement program
4 should be developed to allow people to remain in
5 their homes in the event of extreme difficulty,
6 whether a senior citizen or a young person; they run
7 into problems, too. The amount is deferred with a
8 reasonable rate of interest, to be considered as a
9 lien on the property, to be redeemed on sale or
10 transfer of the property.

11 These are basically suggestions and
12 simple statements. I think they face the bottom
13 problem. Thank you.

14 MR. VAN HORN: Thank you, sir.

15 DR. SCHLAGE: I will leave a copy --

16 MR. VAN HORN: Please do, thank you.

17 DR. SCHLAGE: -- of this and my e-mail
18 address.

19 MR. VAN HORN: Billy Carroll, and then
20 Seth Grossman. Is Mr. Carroll here? Okay. Thank
21 you. Take your time.

22 (Participants confer)

23 MR. CARROLL: My name (inaudible) my

24 name is Billy Carroll, I'm a homeowner in the State

25 of New Jersey and have been since 1973.

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1 What I basically want to suggest to

2 the -- to the convention is, not that I'm -- I'm not

3 going to cite townships, budgets, school budgets or

4 get into that. People on fixed incomes, like Social

5 Security -- I worked thirty years, and I was forced

6 out of my company because of mergers, then my health

7 went bad, and I can't work anymore. I'm not crying

8 here, to cry for me (sic).

9 What I'm saying is people's property

10 taxes should be based on the ability to pay, not

11 school budgets passed, fire budgets, and whatever

12 else comes into the mix. I probably speak for a lot

13 of people here today that are in similar situations.

14 I'm not destitute, but property taxes

15 where I used to live, which was Cherry Hill,

16 increased forty percent since 2000. I can no longer

17 live in Cherry Hill. So I had to make a decision to

18 move to a town where I could afford, and I had to do

19 that. So I just want to let you know that something

20 needs to be done about property taxes. And I know

21 it's not an easy issue to deal with.

22 But the school budgets also need to

23 take a look at how they pass those. They pass them

24 -- well, they reject them, the voters reject them,

25 and then the township council comes back and

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1 overturns it, and slashes things out of the school

2 budget, and the taxpayers are still left with an

3 increase in their taxes.

4 That's just a suggestion. I'm not

5 trying to cry wolf, but it's something I have on my

6 mind, and I needed to speak. That's it. Thank you.

7 MR. VAN HORN: Okay. Appreciate that,

8 sir. Thank you, sir.

9 Mr. Grossman, Seth Grossman, and then

10 William Love.

11 MR. GROSSMAN: My name -- oh, okay.

12 (Participants confer)

13 MR. GROSSMAN: Okay. My name is Seth

14 Grossman, I have a business. I think I'm one of the

15 very few people here who took five hours off of work

16 to come here to what I consider a very inconvenient

17 place and a very inconvenient time. But I'm sure

18 you had your reasons for doing what you did and the

19 way you did it.

20 I represent Liberty and Prosperity, an

21 organization, an educational organization in

22 Atlantic County and Cape May County, based on the

23 motto of the New Jersey Flag: "Liberty and

24 Prosperity," and our founding documents, our
25 founding mottos, such as "Liberty and Justice For

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1 All."

2 And it seems to me that, in preparing
3 for the constitutional convention, many people see
4 this as a way of getting somebody else to pay.

5 Everybody wants something, and everybody wants
6 somebody else to pay. So, instead of everyone
7 looking for a fair way of sharing the burden for
8 everyone.

9 For example, it would be nice if there
10 are elderly people here who don't want to pay for
11 educating my grandchildren, I'm sure my kids could
12 argue that, well, that would be fair, if we don't
13 have to pay Social Security taxes. Once we get into
14 this business of everybody fighting everybody, it's
15 not going to be the state that it once was.

16 To bring things in perspective -- and
17 maybe I'm missing it -- property taxes in New Jersey
18 were fair and stable for 190 years. So from 1776 to
19 1966, through wars and depressions and booms and
20 busts, the property taxes was never a burden. We
21 had millions of immigrants came after World War I,
22 we had the baby boom in the '50s and '60s, and
23 property taxes didn't go out of control until after
24 the baby boom.

25 And then, in 1966, when the property

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1 taxes started shooting up, to solve that problem we

2 had a sales tax at three percent; then it became six

3 percent; then we had an income tax; then we had the

4 Riparian claims, which hit us along the shore, where

5 we had to pay twice of the property we already had;

6 the Lottery, the casino gambling. And what's

7 happening, the cost of public schools is rising;

8 it's three to four times the rate of the growth of

9 the economy and the rate of inflation.

10 So the focus should be: What caused

11 the cost to go up, and what we do about it. And the

12 one problem we ought to be dealing with is the one

13 problem that I hear from the other witnesses ought

14 to be off the table; that's the code word, "revenue-

15 neutral." We just keep the costs going three and

16 four times the rate of inflation, and somehow the

17 Legislature is going to fix that problem later. And

18 I'm not so sure, if they haven't fixed it by now,

19 how they're going to fix it later.

20 And then we go to the influence of the

21 special interests. Someone said, is the education

22 represented. I think what, the teachers' union has

23 110,000 members, they all pay \$800 and some a year.

24 Do the arithmetic. A hundred and ten thousand

25 members of the NJEA pay \$800 a year. And doesn't

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1 that come out to \$88 million? So, yeah, they have
2 influence.

3 But anyway, the bottom line, the
4 recommendation, I think it should be an open
5 convention, not a rigged convention. I looked at
6 the legislation from 2001, where they said, oh,
7 every former governor is an automatic delegate. Ten
8 delegates are appointed by some council of the
9 higher education I never heard of.

10 Don't go for that nonsense. Let the
11 people -- if it's going to be a real constitutional
12 convention, let the people elect the delegates, let
13 the delegates do whatever is necessary to fix the
14 problem, and don't tell the delegates, you can't do
15 this and you can't do that; otherwise, we're going
16 back to the same pattern we've had for the last
17 thirty-eight years. Thank you.

18 MR. VAN HORN: Thank you.

19 (Applause)

20 MR. VAN HORN: Mr. William Love, and
21 then Ralph Lawrence.

22 MR. LOVE: I gave a handout, if you
23 can follow it, please.

24 MR. VAN HORN: Yes. We have it.

25 Thank you.

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1 MR. LOVE: There should be no tax

2 convention, period. This entire process will delay

3 much needed property tax relief for years.

4 The legislators have abdicated the

5 responsibility. A short-term fix can be implemented

6 within a year; and a longer-term solution in two to

7 three years thereafter. Given the authority, I

8 would volunteer to develop and implement a property

9 tax plan, since our elected leaders have been

10 paralyzed or incapable of doing it for decades.

11 In the short term, within the next

12 year -- I just want to make sure the chairman is

13 listening.

14 MR. VAN HORN: Yeah. I'm sorry. I

15 apologize.

16 MR. LOVE: It's all right.

17 My short-term fix is of about two and

18 a half billion. I would recommend a ten percent

19 income tax surcharge. That \$900 million will come

20 from that effort, across the board, no class

21 warfare.

22 I would increase the one percent sales

23 tax -- I would increase the sales tax by one

24 percent. That would increase revenues \$1.1 billion.

25 And I would transfer from the Abbot

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1 districts \$500 million. Let the courts fight over
2 that situation. The Abbot intent is correct; the
3 Abbot funding is wrong. The year before last, there
4 was like 6.3 billion in state aid; three and a half
5 billion went to thirty districts, the Abbot
6 districts, clearly incorrect.
7 This is short term, and I realize that
8 some of this is regressive.
9 As far as a long-term strategy, I
10 believe there's ways to garner fifteen to \$20
11 billion, which will solve the property tax
12 conundrum.
13 The first thing I would do, and this
14 is after my short-term fixes, is I would consolidate
15 services and purchasing power. Statewide, spending
16 is between forty to \$45 billion. Any reasonable
17 person would tell you that we should get at least a
18 ten percent savings out of that. So that would be
19 about \$5 billion, that's low-hanging fruit.
20 Let me give you a minor example of
21 that, just in the education arena. I live in
22 Medford, which is next to Tabernacle, both fine
23 towns. Income is about the same, housing value is
24 about the same. It costs \$10,500 to educate
25 somebody in Tabernacle; it's \$9,000 in Medford,

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1 below the state average. Tabernacle gets 5,000 a

2 student, and we get 1,500. They get forty-six
3 percent state aid. Why? Tabernacle is too small to
4 have its own district; it should be combined with
5 other districts down there, like Shamong, et cetera.
6 That's just an example.
7 One of the biggest areas of
8 opportunity we have that nobody talks about is that
9 New Jersey ranks dead last in the ratio of dollars
10 sent to Washington, versus return to our New Jersey
11 economy, directly or indirectly. We only get sixty-
12 two percent. We send \$76 billion to Washington, and
13 only 47 billion comes back. We're dead last, guys,
14 fiftieth. Can't get worse than that. Ten years
15 ago, we were fiftieth. When Lautenberg was first
16 elected twenty years ago, we were next to last; now
17 we're last.
18 If we take a look at the surrounding
19 northeast states, what we have is New York receives
20 eighty-five percent and a fortieth ranking.
21 Pennsylvania gets 109 percent; they get more back
22 than they send. They're ranked at twenty-seven.
23 Delaware is eighty-five percent, also, which is
24 forty-first.
25 A ranking similar to sister states

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1 would provide \$17 billion to 35 billion. A twenty-
2 five percent ranking, midpoint like Kansas, gets us

3 17 billion. A forty-fourth ranking like Illinois

4 would provide \$11 billion. I think at a minimum, we

5 should shoot for five to \$10 billion, and maybe

6 we're only forty-eighth. All right?

7 And let me tell you about this

8 situation, it's not unrecognized. I have a letter

9 in front of me here from Senator Corzine. He

10 recognizes the fact that New Jersey is not getting

11 our fair share. And this I quote him, and I'll give

12 you a copy of this, if you'd like it:

13 "The low amount of federal spending in

14 New Jersey is an outrage. Our state is among the

15 most visited and populated in the country; and,

16 thus, must continue to stand up and demand our fair

17 share of funding for transportation, first

18 responders, education, and the environment."

19 I don't have time to read the whole

20 letter.

21 He further states that, you know, part

22 of the reason is the statistics that are counted,

23 because it does include money going directly to

24 individuals, like for Social Security and also for

25 federal institutions and so forth, like Air Force

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1 bases. Well, we don't have a lot of federal funding

2 for things like employees, put that aside.

3 Then he -- one of the things he talks

4 about is, one of the reasons why we don't get enough
5 money back is because of Social Security, because
6 our employees, although they -- our population, they
7 live here, but they retire to the southwest or the
8 southeast. Well, they can't afford to live here.
9 That's why it's being skewed.
10 So I think this is a golden
11 opportunity here. All right? And this isn't pie in
12 the sky stuff. We're dead last. There's got to be
13 five to \$10 billion that our federal legislators
14 aren't getting for us, and our state legislature is
15 not forcing the issue. So that's another area that
16 I think that we really have to address in the long
17 term. We're not getting our fair share.
18 Lautenberg, he has no clue.
19 Lautenberg, what he says:
20 "As a federal legislator, I have no
21 role in setting the state's property tax, but I have
22 done what I can to protect the ordinary, hardworking
23 people in New Jersey. I will continue working to
24 protect the progressivity of the federal tax code."
25 I'm up?

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1 MR. VAN HORN: Yeah, could you just
2 summarize, please?
3 MR. LOVE: Yeah, I'll summarize.
4 MR. VAN HORN: Thank you.

5 MR. LOVE: Okay. I guess these points
6 are too valid.
7 The other thing that we'll have to do,
8 I've already mentioned them, we have to cut
9 government waste. Seventy million dollars for the
10 Light Rail for 2,500 people?
11 The property taxes in Burlington
12 County are 800 million; 70 million could have
13 reduced property taxes by nine percent. It's a
14 waste of money.
15 We have to stop pension raiding by the
16 politicians. I just saw where Jaime Fox (phonetic)
17 is going to get a two-hundred-thousand-dollar-a-year
18 job, and that will be used for his pension. That's
19 outrageous, just like Mathison (phonetic) and just
20 like Bennett (phonetic). Stop raiding our pension
21 plans. And that's the politicians directly.
22 There's all kinds of other services
23 that could be consolidated, all kinds of things that
24 we can do. In the long term, I'll go back and I'll
25 fix the regressive income tax that I plan to put in

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1 with the ten percent, and also the sales tax issue.
2 And what we also have to do is we have
3 to change the tax policy to eliminate inequities and
4 make New Jersey tax friendly. We got to end the
5 marriage penalty. Why we're paying a fifteen

6 percent tax on water and sewer is beyond me.

7 We have to eliminate the millionaire's

8 tax, and the estate tax is going to create a big

9 problem. I don't know if you people are aware of it

10 or not, but there's no more credit for taxes in New

11 Jersey. I have one individual who's looking at a

12 six-million-dollar tax bill on his estate. He's not

13 going to move to New Jersey, it's nothing in

14 Florida. We're going to drive the wealthy people

15 out of this state, and we're going to erode our tax

16 base even worse. You better take a look at the

17 estate tax. All right? It's out there, and it's a

18 problem.

19 So I got more ideas. Obviously, I was

20 told I have no more time. Okay? But I'd be happy

21 to address this in depth with anybody who would care

22 to. Thank you.

23 MR. VAN HORN: Thank you, sir.

24 (Applause)

25 MR. VAN HORN: Okay.

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1 MR. LOVE: Why is it, I was the only

2 one who was told the time was up. We've been here

3 for two hours.

4 (Participants confer)

5 MR. VAN HORN: Okay. Let's go

6 forward. The last scheduled witness who's signed up

7 is Ralph Lawrence. Is Ralph Lawrence here? I guess

8 not?

9 (Participants confer)

10 MR. VAN HORN: If we have -- we can

11 extend time for a while, but if -- unless any panel

12 members object. Okay.

13 Yeah, go ahead. Come on down, sir.

14 Just give us your name and proceed.

15 MR. POWERS: How you doing? I'm

16 Fernando Powers. I'm a father of three, can't hear

17 you.

18 AUDIENCE PARTICIPANTS: Can't hear

19 you. Can't hear you.

20 (Participants confer)

21 MR. POWERS: Oh, okay. I'm a single

22 parent of three daughters, and my name is Fernando

23 Powers.

24 I just want to know, what happened to

25 all the money that's under the comprehension annual

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1 financial report, where there's enough money in the

2 State of New Jersey to give every man, woman, and

3 child two dividends? The slush fund.

4 Because, see, there's a lot of money

5 being put into the schools, but not to the students.

6 And I know you guys know what I'm talking about. So

7 what are we going to do with that money? Can we

8 distribute that money first before we start looking
9 for new ways of taking the property away from the
10 people?
11 And not just that. The Yukwah v.
12 Hopkins case (phonetic). If you study that, anyone
13 that's about to lose their property, you can use
14 that, and you can wind up keeping your property.
15 Because your Supreme Court noted that ordinances and
16 laws, basically the state statute, code, and law is
17 not subject -- man is not subject to statute, code,
18 and law. It's a mere definition and limitation of
19 power to the government. And as a creator, we
20 cannot be subject to our own creation.
21 And the bottom line is we have the
22 tools to fix this; we just need to get this resolved
23 and without trying to change the constitution.
24 Because once you start altering the constitution,
25 then you have individuals trying to sneak in their

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1 own self-interests.

2 (End of Tape No. 2, Side A)

3 (Beginning of Tape No. 2, Side B)

4 MR. NAUDAM: Hi. My name is Nick

5 Naudam (phonetic), I lived in Cherry Hill for fifty

6 years. I'm on the Cherry Hill Committee for Tax

7 Reform.

8 My problem is that I've never had any

9 children, and I've paid taxes for fifty years. To
10 me, that's taxation without representation. I'm
11 eighty-two years old, a veteran of World War II, and
12 I'm still paying. That's beside the point.
13 We've -- we've discussed all figures
14 and points. I'm just going to come to the point.
15 It's very simple, and we haven't even discussed it.
16 I call it a user tax. What is so wrong with -- we
17 want to spread the taxes right where they belong.
18 If you have children, then you should -- you should
19 pay for their education. Why should I have to --
20 after my -- never had any children, and
21 (indiscernible) still paying the taxes.
22 A user tax, that's what this
23 government was built on. We had the Boston Tea
24 Party. You pay tax when you pay gasoline, when you
25 go out to dinner you pay a tax. That's a user tax.

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1 So if you have one child, two child, you pay one
2 percent of your gross income for every child you
3 have in school, from first grade to high school,
4 period. When they're out of high school, you don't
5 pay the taxes anymore. Pay one percent gross, and
6 that will level the playing field, because you're
7 going to pay one percent of your gross, whether you
8 make a million dollars a year or \$10,000 a year.
9 You're going to pay one percent for each child that

10 you have in school from first grade to high school.
11 And it cuts out all this paperwork, state
12 reimbursement tax, freezer tax, all this paperwork
13 that costs the state millions of dollars.
14 Because if you -- if you make the
15 deduction for your dependents on your federal income
16 tax, you make those deductions, you take -- you take
17 the -- the -- the -- of your federal income taxes,
18 it will be very easy to check, federal and state
19 income tax. If you take them off on your federal
20 income tax, then pay for them in the state. Simple
21 as that.
22 Cut away this paperwork and this and
23 this, and this and that. Just get down to bare
24 facts. If you brought the children in the world,
25 then pay for them. Simple as that. Thank you.

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1 MR. VAN HORN: Thank you, sir.

2 (Applause)

3 UNIDENTIFIED: May I?

4 MR. VAN HORN: Yes, ma'am. Please

5 come on down.

6 (Participants confer)

7 MS. BURKE: Thank you for allowing me

8 to speak, gentlemen. I did sign in, but I had

9 relinquished my time to someone else. It will be

10 very short.

11 I give you one outlook that no one

12 else has, and that's why I've decided to come

13 forward. I'm here as --

14 MR. VAN HORN: Just -- I'm sorry to

15 interrupt.

16 MS. BURKE: My name is Irene Burke --

17 MR. VAN HORN: Thank you, Irene.

18 MS. BURKE: -- and I'm from Cherry

19 Hill.

20 MR. VAN HORN: Okay. Thank you.

21 MS. BURKE: I chair a senior advisory

22 board in Cherry Hill. My phone rings constantly

23 with seniors who have problems. Reverse mortgages,

24 a big problem. We have to protect the seniors;

25 they're being preyed upon to reverse mortgage on

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1 their house. They spend all the money; and, within

2 a certain limit, then are told they have to move

3 out. Somehow, we've got to have a list out of the

4 disreputable people that are preying on them.

5 I happen to be a widow. I don't know

6 what happens to widowers with their income, but I

7 know what happens to widows, and I counsel a lot of

8 them every single day, how you maintain your house,

9 how you take care of everything.

10 And I look forward to going from a

11 moderate income down to maybe the lower income

12 myself because, every time I have something to do,
13 and if the money runs out, it comes out of savings.
14 And that's from a whole lifetime of savings. I
15 happened to have a lucky husband who saved I think
16 the first nickel he earned, so I am the benefit of
17 that.
18 But, please, would you please, as you
19 do your work, I commend you all for coming forward
20 to do this. It's not an easy job. You have so many
21 facets to look at in this world. And seniors need
22 your help, the young people who have young families
23 need your help. The taxes we pay on the homes, I
24 don't know how you can fix it, but I have faith that
25 you will do something because New Jersey is a great

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1 place to live; I am a native New Jerseyan, been here
2 all my life. Thank you, gentlemen.

3 MR. VAN HORN: Thank you.

4 MS. BURKE: And, Ms. Gordon -- or is

5 it Mrs. Gordon?

6 MS. GORDON: Ms. Gordon.

7 MS. BURKE: Thank you.

8 MR. VAN HORN: Okay. That concludes,

9 I think, our meeting for today. I want to thank all
10 of you for coming today and for expressing your
11 intelligent and useful opinions and ideas to us.

12 All of this has been recorded, the

13 transcripts will be made available to the members of
14 this group who are here, and of course those who
15 weren't able to make it today.
16 Members of the panel, we will be
17 reconvening tomorrow at two o'clock in Winants Hall
18 (phonetic) at Rutgers University, and that meeting
19 is also open to the public. So those of you who
20 haven't heard enough today and would like to come to
21 New Brunswick, you're cordially invited to do so.
22 And, unless there's objection, I will
23 call the meeting adjourned. Thank you.
24 (Proceedings adjourned)

25

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1 C E R T I F I C A T I O N

2

3 I, Coleen Rand, do hereby certify that
4 the foregoing transcript of proceedings by the New
5 Jersey Property Tax Relief Task Force, recorded on
6 audiotape on October 19, 2004, is a true and
7 accurate non-compressed transcript of the
8 proceedings to the best of my knowledge and ability.

9

10

11

12 Coleen Rand AD/T 419 Date

13 For Guy J. Renzi & Associates

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