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state of new jersey

Acting Governor Richard J. Codey



**PROPERTY TAX CONVENTION TASK FORCE**



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- > [task force members](#)
- > [view bill establishing task force](#)
- > [convention related press releases](#)
- > [task force background](#)
- > [task force transcripts](#)
- > [task force final report](#)
- > [hearing audio](#)

 [contact the governor](#)

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1 STATE OF NEW JERSEY

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3 NEW JERSEY PROPERTY :

4 TAX CONVENTION TASK FORCE :

5 -----:

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8 TRANSCRIPT ORDERED BY:

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2 PANEL PARTICIPANTS:

3

4 IDA CASTRO

5 MICHAEL R. COLE, VICE CHAIRMAN

6 SHERRYL GORDON

7 SENATOR LEONARD LANCE

8 TERRENCE MALLOY

9 ASSEMBLYMAN KEVIN O'TOOLE

10 MAYOR GARY J. PASSANANTE

11 ERNEST C. REOCK, JR., Ph.D.

12 ASSEMBLYMAN JOSEPH J. ROBERTS

13 MAYOR JO-ANNE B. SCHUBERT

14 CY THANNIKARY

15 CARL E. VAN HORN, Ph.D., CHAIRMAN

16 SENATOR RICHARD VAN WAGNER, SR.

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1 (Tape 1, Side A)

2 MR. VAN HORN: -- Tax Convention Task

3 Force, and thank you all for coming out this

4 evening. We appreciate your attendance at this

5 important meeting, and we look forward to hearing

6 from you.

7 The first thing I'd like to do this

8 evening is just give an opportunity for my

9 colleagues on the task force to introduce

10 themselves, so you know who you're speaking to, and

11 I'll start here with Mr. Thannikary on my left.

12 MR. THANNIKARY: Good evening. My

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

14 for Property Tax Reform, which is a nonpartisan,

15 statewide coalition representing over 400,000

16 homeowners.

17 MR. VAN HORN: Thank you.

18 MAYOR SCHUBERT: Good evening. My

19 name is Jo-Anne Schubert, I'm the Mayor of South

20 Bound Brook, and the President of the New Jersey

21 State League of Municipalities.

22 MR. VAN HORN: Thank you very much.

23 ASSEMBLYMAN ROBERTS: Ladies and

24 gentlemen, good evening. I'm Assemblyman Joe

25 Roberts, I'm from Camden County, I represent

3

1 District 5 in South Jersey, and I'm also the

2 Assembly Majority Leader. It's very nice to see you

3 all.

4 MR. REOCK: I'm Ernest -- Ernest

5 Reock, I'm retired from the Rutgers University

6 Faculty.

7 MAYOR PASSANANTE: Good evening, my

8 name is Gary Passanante, I'm the Mayor of the

9 Borough of Somerdale in Camden County; I'm also the

10 Chairman for Property Tax Reform for the New Jersey

11 League of Municipalities.

12 ASSEMBLYMAN O'TOOLE: Good evening.

13 Assemblyman Kevin O'Toole from Essex County. I

14 represent Essex and Passaic and Bergen County, and

15 I'm delighted to be here.

16 MR. COLE: Good evening. I'm Michael

17 Cole, I'm an attorney, I'm serving as vice chair

18 (inaudible).

19 MS. GORDON: Good evening. My name is

20 Sherryl Gordon, I'm the Executive Director of the  
21 American Federation of State, County, and Municipal  
22 Employees. We represent state and local government  
23 employees throughout New Jersey. And I'm also the  
24 International Vice President for the Eastern Region,  
25 which covers the State of Delaware, as well as New

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1 Jersey.

2 MS. CASTRO: Good evening. I'm Ida  
3 Castro, I'm currently an attorney, also a professor  
4 at CUNY School of Law, and a resident of Bergen  
5 County -- I mean Burlington County.

6 MR. VAN HORN: Slightly different part  
7 of the state, right?

8 Thank you all. Members, there are a  
9 few members that were unable to be with us this  
10 evening, they send their regrets, but this is, of  
11 course, a large number of our members, so we're well  
12 represented.

13 Let me give you a little bit of the  
14 ground rules for tonight and explain the process  
15 that we're engaged in. This task force was created  
16 pursuant to a state law that established this group  
17 to study the need for a property tax convention and

18 to consider and develop recommendations for the  
19 Legislature regarding the process of conducting such  
20 a constitutional convention that would be designed  
21 to change the existing property tax system in the  
22 state.

23 Now our task is to make  
24 recommendations, including, but not limited to such  
25 matters as the method of selecting delegates to the

5

1 convention, the appropriate scope of the  
2 convention's inquiry, and the method for  
3 consideration of the convention's recommendations.  
4 And we're also to identify the specific issues or  
5 questions that the convention should consider, as  
6 well as the estimated costs of the convention, on  
7 how it would proceed.

8 Now our report is due to the  
9 Legislature by the end of this calendar year; and,  
10 of course, that will be made public at that time.  
11 And then the Legislature, in the law they passed,  
12 has said that they would take a period of a couple  
13 months to review these recommendations and to  
14 accept, reject, or modify them, and then go forward.  
15 So this is the first, maybe the second

16 really -- the first step was the Legislature passing  
17 the law -- the second step in a very long process,  
18 which is designed to build understanding, gather  
19 public input, and to divine recommendations for the  
20 Legislature.

21 This is the second of three scheduled  
22 public hearings; the first one was held on Monday in  
23 Bergen County Community College. And I want to  
24 thank the folks from Mercer County College for  
25 making available this beautiful facility for us

6

1 tonight.

2 Now part of what we're trying to do  
3 here is, obviously, encourage as much citizen input  
4 and involvement as we possibly can, and there are a  
5 couple of ways in which we're doing that:  
6 One is that, of course, we're having  
7 these public hearings. There will be another  
8 hearing on October 19th at Camden County Community  
9 College at its Blackwood Campus. But we're also  
10 encouraging people to communicate with the task  
11 force, either in conventional snail-mail approaches,  
12 or by sending e-mails to us at our website address.  
13 There is a website address where you

14 can send us e-mails, it is nj.gov/convention. And,  
15 there, your e-mails will be logged in. And anyone  
16 who chooses not to address us tonight, or even if  
17 you have other thoughts, we encourage you to do  
18 that, especially if, because of time limitations,  
19 we're not able to get to every single person tonight  
20 that wants to speak. We will be able to hear about  
21 fifty people tonight, and we've asked people to stay  
22 within the three-minute time limit, so that as many  
23 people as possible can be heard.  
24 But, again, I just want to urge you to  
25 consider submitting any written comments you might

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1 have via e-mail to the task force website. And all  
2 the task force members will be able to look at any  
3 of these e-mails that come to the task force, and  
4 they will -- they've got instructions for how to do  
5 that.  
6 If you use other methods, we'll also  
7 make those available to the task force members, and  
8 they -- all the task force members will be able to  
9 look at everything that you send in. And if you  
10 have things to give us tonight, please give it to me  
11 or a member of our staff, who are here, and they



12 will, as well, make that available to us. So there  
13 are multiple ways for you to communicate.  
14 Now, as far as tonight, we have a  
15 sign-up sheet, which people have signed in, and I'm  
16 going to call people in the order that they have  
17 signed up. I'm going to ask -- and then I'm going  
18 to tell you who the next person is, so you can get  
19 ready. I would ask you to come down to the witness  
20 table, there's a microphone here. And you're going  
21 to have to speak directly into the microphone that  
22 can be -- so it can be heard.  
23 All of these comments are being  
24 recorded, so that, if you're shy, please be aware  
25 that we are recording these, and these transcripts

8

1 will be typed up and made available to all of the  
2 members of the task force; those who were here, and  
3 those who weren't here. So we're -- as you can see,  
4 we're building a public record of information and  
5 advice from all the public who choose to speak to us  
6 tonight.  
7 I would also urge that, if -- some of  
8 you have come here with a group and multiple people  
9 are here with a group. And in the -- in deference

10 to people who would like to speak, I'd like to ask  
11 you to designate someone to represent the group and  
12 speak on behalf of the group.  
13 Okay. So tonight we're going to begin  
14 with Michael Horne (phonetic), who has signed up.  
15 And, Michael Horne, if you would come down to the  
16 witness table, please, introduce yourself, where you  
17 are from.  
18 And I do also want to mention that we  
19 have a gentleman here from the Department of  
20 Transportation, Alexander Brown. Alexander is  
21 sitting there; Alexander is right there. And  
22 Alexander is going to be the timekeeper from you, so  
23 that you don't have to stare at your watch; he'll  
24 keep track and remind you when you're getting to the  
25 two-minute limit, and so on and so forth.

9

1 And the next speaker will be  
2 Assemblywoman Linda Greenstein, who is here, over to  
3 my right. So, Michael Horne, please begin. And  
4 welcome.  
5 MR. HORNE: Thank you. Thank you, Mr.  
6 Chairman and members of the commission. My name is  
7 Michael Horne, I'm not representing anyone other

8 than myself; I live in Mendham, New Jersey. I  
9 thought I'd give a little bit of my background, but  
10 not take up too much of my three minutes.  
11 I served in the State Assembly from  
12 1972 to 1974, I was appointed by Governor Kean to be  
13 Banking Commissioner from 1982 to 1984. I was State  
14 Treasurer from 1984 to 1986, and I want to say  
15 parenthetically, during the time that the SLURP  
16 Commission was formed, and I was a member of it. I  
17 was appointed by Governor Florio to be Chairman of  
18 the Pension and Health Benefits Review Commission; I  
19 was reappointed by Governor Whitman. I was  
20 appointed by Governor McGreevey to the Public  
21 Officers Salary Commission.  
22 I want to say that applaud -- I  
23 applaud the Legislature and the Governor for  
24 starting this process going. You have, as I've read  
25 the issues which this task force faces, an enormous

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1 job, and I'm not going to comment on all of the  
2 issues that you will be facing. I've selected maybe  
3 one or two, just to give you some of my thoughts.  
4 And what I'd like to talk about is the  
5 delegate selection process. Reasonable people can

6 differ on how this can be done. I support the March  
7 election, I understand there's -- some people feel  
8 that it should be during the November election;  
9 others during the March election. And the reason I  
10 support March is I think it would highlight the  
11 importance of the task force and the task of the --  
12 of the convention.  
13 I support the concept of no slogans,  
14 no political parties. I support the contribution  
15 limits concept, to keep money out of the process. I  
16 would also feel that I would for certain feel that  
17 state legislators should not be allowed to serve on  
18 the commission. I would limit the selection  
19 process, in order to -- to obtain people with as few  
20 potential external commitments as possible; people  
21 who don't have commitments to either an organization  
22 or a political party. I think you will end up with  
23 a better result that way.  
24 I support the panel of retired judges  
25 to review the recommendations of the convention, to

11

1 see that they conform to the charge of the  
2 convention. And I support the panel of the Chief  
3 Justice and a panel of college presidents to appoint

4 additional delegates, to take care of a number of  
5 wonderful people in our state who would love to  
6 serve, but will not subject themselves to an  
7 election process. Thank you.

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

9 Thank you very much.

10 And Assemblywoman Greenstein, from the  
11 14th District, I believe, if I've got that right.

12 ASSEMBLYWOMAN GREENSTEIN: Good

13 evening. Mr. Chairman, members of the task force,  
14 welcome to Mercer County College, the Township of  
15 West Windsor, and the 14th Legislative District of  
16 New Jersey.

17 As one of the sponsors of the

18 constitutional convention legislation, I'm

19 especially pleased to see you all here. Your

20 presence here tonight sends the signal loud and

21 clear to Mercer County residents and all New

22 Jerseyans struggling to keep up with the rising tide

23 of property taxes. Finally, at long last, we're

24 starting down the road toward lasting change.

25 Mr. Chairman, I'm especially pleased

12

1 that you chose to hold this hearing, here in the

2 14th because Central New Jersey is ground zero in  
3 New Jersey's property tax debate. Last year, the  
4 average property tax bill here in West Windsor; the  
5 average bill, was \$9,734. Just across the county  
6 line, in Middlesex County, the Town of Cranbury, the  
7 average bill was \$6,900, up more than 350 in one  
8 year. The homeowners I represent, not just in West  
9 Windsor and Cranbury, but in our other middle-class  
10 towns of Hamilton, Jamesburg, Monroe, Plainsboro,  
11 and South Brunswick, all are being crushed beneath  
12 this escalating tax burden.

13 One of the great failings of state  
14 government has been our inability to grasp the root  
15 causes of our current property tax crisis. All of  
16 us recognize the need for reform, and hear the  
17 voices of our constituents; yet, politics has  
18 continually blocked our path.

19 I, for one, regret that we in the  
20 Assembly couldn't tackle the task of finding a long-  
21 term solution to our property tax woes, and I trust  
22 many of my senate counterparts feel the same. I  
23 would have liked to have been part of that debate.  
24 However, we now have a chance to move beyond  
25 party labels and political ideology, and hand the

1 task of finding a cure to those whose voices are  
2 most deserving of being heard: The people. And  
3 that is why I'm here tonight, to listen and learn;  
4 the very same reason you are. The people of the  
5 14th District in particular will have a lot to say.  
6 We can't confuse framing this  
7 convention with the process of actually doing the  
8 work of amending our state constitution. And while  
9 I would trust this panel to do that -- your  
10 backgrounds and expertise speak for themselves -- I  
11 remain mindful that you are not the players on the  
12 field; you are the umpires.  
13 I am not going to have a chance to go  
14 through my entire, rather long speech here, so I  
15 will just say, it's my sincere hope that your work  
16 tonight and throughout will lead us to the day when  
17 we can say about our current system of taxes what we  
18 say about the March winds: "In like a lion, out  
19 like a lamb." We hope these high taxes will go out.  
20 Thank you very much for allowing me to  
21 speak, and I look forward to the hearing. Thank  
22 you.  
23 MR. VAN HORN: Thank you, and you're  
24 certainly welcome to submit the rest of your remarks  
25 for the record, Assemblywoman. Thank you.

14

1 Quincy Vadas (phonetic) is up next, if

2 I've got that pronunciation correct. I may mangle

3 some pronunciations, I apologize, but -- and then

4 after Quincy, Tommy Silvo (phonetic) would be next.

5 So I would suggest is that both of you come down

6 here and sit, that will be more convenient for us to

7 facilitate the next discussion. Mr. -- Mr. Vadas.

8 Welcome.

9 MR. VADAS: Good evening. My name is

10 Quincy Vadas, and I'm here on behalf -- I'm a part

11 of the Paterson Pastors Workshop and the Education

12 Committee. Greetings to Mr. Chairman and to the

13 task force.

14 I am -- I'm from an Abbot district,

15 and my concerns is for our Abbot district in the

16 City of Paterson, where we do not have a lot of

17 ratables. However, in reading and keeping abreast

18 with the situation with lowering property tax, my

19 concern is, as well as from what we were reading,

20 according to the media, is that you're also going to

21 lower the property tax.

22 But in our Abbot district, in

23 Paterson, where I'm concerned that we have over

24 29,000 students, and a lot of them are on public

25 assistance, and a lot of them don't -- are not as



15

1 fortunate as other counties in New Jersey. My --  
2 one of the concerns that we have is that, if you're  
3 going to lower the property taxes, but at the same  
4 time it's like a give-and-take, and then you're not  
5 going to be able to pour the amount of money that  
6 the Abbot v. Burke ruling has decided that you --  
7 we're Abbot, and that the money -- pretty much,  
8 leave the wallets there, as one of our public  
9 service officials has said at one meeting. And our  
10 concern, once again, is, if you're going to lower  
11 the property taxes, we're an Abbot district, and  
12 that the people of Paterson still get its proper  
13 treatment.

14 And why wasn't anyone from Paterson or  
15 Passaic appointed to the task force? And why in  
16 Bergen County, when only one school in Bergen County  
17 is Abbot, when Paterson and Passaic is Abbot, and  
18 didn't come to Passaic County. Those are my  
19 concerns.

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

22 Tommy Silva, followed by Mayor Marks.

23 Mr. Silva, welcome.

24 MR. SILVA: Good evening. Hello,

25 everyone. I'll be very brief because basically I

16

1 don't want to go over what Quincy just went over,

2 but that was my main concern, is how a city like

3 Paterson, with no ratables, it's -- our school

4 system is falling apart. It's been falling apart

5 since the state takeover.

6 And if we can't get the taxes -- my

7 parents pay taxes, they pay very high taxes in

8 Paterson, and it's not working already. And how is

9 this going to affect if the -- how is it going to

10 affect the school system? Because it's -- we are in

11 a predicament right now that it's going to take a

12 long time to turn around what has happened in the

13 last thirteen years there.

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

15 you for those comments.

16 Mayor Martin Marks of Scotch Plains,

17 welcome, Mayor. And after the Mayor is finished,

18 the next speaker will be William Opferman

19 (phonetic), I believe is the way you pronounce it.

20 And, Mr. Opferman, if you would come down to the --

21 here, that would facilitate our discussion. Mayor

22 Marks, welcome.

23 MAYOR MARKS: Thank you, Mr. Chairman,

24 and good evening. My name is Mayor Martin Marks

25 from the Township of Scotch Plains. It's pleasing

17

1 to see representation on this committee from the

2 League of Municipalities. And I speak tonight on

3 behalf of the New Jersey State League of

4 Municipalities.

5 And I'd first like to speak

6 metaphorically by saying, it is not the mission of

7 this task force to move the mountain, which is New

8 Jersey's over-dependence on the property taxes,

9 unparalleled. That will be the mission of the

10 convention. Your mission is to build the bulldozer.

11 And with that in mind, I'll confine my remarks to

12 suit that purpose.

13 And I have the following two questions

14 to ask, and that's probably the most important thing

15 I have to say tonight.

16 First question: What approach will

17 bring the increased likelihood that the process will

18 yield a fairer revenue system for the future of the

19 families of New Jersey?

20 And secondly: Which will increase the

21 risk that we will let this historic opportunity slip  
22 away?  
23 Now spending issues are vitally  
24 important, and the convention should be empowered to  
25 look at spending issues. Like other mayors and

18

1 municipal governing body members all around the  
2 state each year, I carefully consider my town's  
3 spending priorities. We try mightily to cut  
4 spending where we can, and to limit needed increases  
5 to an absolute minimum. Every year, freeholders and  
6 county executives do the same; every year, school  
7 boards and boards of estimate need to do the same.  
8 And every year, the Legislature, through the budget  
9 process, has the opportunity to, likewise, to seek  
10 to limit spending. So spending issues are, or at  
11 least can be dealt with, through processes already  
12 in place.  
13 There reason we need a convention is  
14 that those processes have not addressed themselves  
15 to the fairest means of raising the revenue. No  
16 matter how much you think government should spend,  
17 no matter where you think money is needed or money  
18 is wasted, no matter what the appropriate level of

19 revenue we need to meet our responsibilities to the  
20 people who elect us, the simple fact of the matter  
21 is that there needs to be a fairer way of raising  
22 it. Even if we could cut spending, government  
23 spending in half tomorrow, we would still have the  
24 distinction of relying far too heavily on raising  
25 revenue.

19

1 That needs to be the primary focus of  
2 this special convention dedicated to property tax  
3 reform. That is my main goal, and the central aim  
4 of the League of Municipalities, and all the other  
5 advocates of this approach, and that is the prime  
6 need of the property taxpayers of our state.  
7 Accordingly, we agree that the  
8 convention can have the opportunity to look at  
9 certain spending. But whatever spending  
10 recommendations may emerge, they need to go to the  
11 people separate from the revenue recommendations; if  
12 you will, two conventions within a convention, and  
13 then two -- two questions going to the people of  
14 this state. If we keep the questions separate, we  
15 increase the likelihood that the process will yield  
16 a fairer revenue-raising system for the future of

17 the families of this state.

18 I have other comments on behalf of the

19 League, I have an editorial to submit that was

20 written by the Executive Director of the League of

21 Municipalities Bill Dressler (phonetic), that

22 appeared in the Star Ledger, and I'd like to submit

23 that for the record, and the rest of my comments.

24 Thank you very much.

25 MR. VAN HORN: Thank you, Mayor.

20

1 Please do that, and submit that to the staff, if you

2 would.

3 Mr. Opferman is next, followed by Rose

4 Klevinger (phonetic). And Rose Klevinger, if you

5 would come down here, and Mr. Opferman. Very good.

6 Welcome. Welcome.

7 MR. OPFERMAN: Thank you. Greetings.

8 Greetings, task force members. William J. Opferman,

9 Hamilton Township, Mercer County. I'm a member of

10 the Property Rights Foundation of America, which is

11 based in Stonycreek, New York.

12 I'm opposed to a state constitutional

13 invention -- convention. A con-con opens up a

14 convention, and any part of the constitution can be

15 changed or thrown out, especially on our U.S.  
16 Constitution. But going to a state constitution, we  
17 have to be careful when a constitution is opened up  
18 because it's subject to change of any part, throwing  
19 out. So be careful on that.  
20 Taking school tax funding off of  
21 property tax only shifts the funding to the state  
22 tax. I live in Hamilton Township and -- which is  
23 Mercer County. Sixty-three percent of our property  
24 tax -- and I have a little prop here -- of our full  
25 tax, and sixty-three percent of our tax goes to our

21

1 schools, and thirty-seven percent goes to municipal  
2 and fire.  
3 Taking the sixty-three percent off our  
4 property tax leaves thirty-seven percent. And I  
5 call our "wolves," our municipal officials, will see  
6 this as an opportunity to incrementally up this,  
7 more of an opportunity to -- still looks low, it can  
8 even go up to forty-five percent, it still looks  
9 lower than having a full total tax.  
10 We can -- we can look at our taxes  
11 when we get it on our property tax and our municipal  
12 (sic) and see that there is sixty-three percent

13 there, that's part of our taxes. And that's the way  
14 I think it should remain.  
15 We're conscientious citizens. We  
16 should be able to go to our school boards, go to our  
17 municipalities and our councils, and watch and try  
18 and put pressure on them to do things. But going to  
19 the state for funding, I think that's the wrong  
20 direction.  
21 I thank you for listening to me, and  
22 good evening.  
23 MR. VAN HORN: Thank you, sir. Thank  
24 you.  
25 Rose Klevinger, followed by Anna

22

1 Tallafiero (phonetic). You might want to come down  
2 here. Rose Klevinger. Welcome.  
3 MR. KLEVINGER: Hi. Real -- I wrote  
4 all this down, so I hope I can do it.  
5 Real property tax relief. This is  
6 accomplished only when spending is cut. For the  
7 past nine years, I have attended the school board  
8 meeting in South Hampton Township; in these nine  
9 years, I've only missed three meetings, but I've  
10 certainly learned a lot.



11 I've seen a K-through-8 elementary  
12 school with less than 1,000 kids be divided into  
13 three schools. Even with declining enrollment, we  
14 do have a superintendent, a business administrator,  
15 three principals, and nine or ten secretaries.  
16 Our regional school district is worse.  
17 Without taxed parent knowledge, a car is given to  
18 the superintendent, the assistant superintendent,  
19 the business administrator; this for their personal  
20 use, year round. The taxpayer gets to pay for the  
21 car, the gas, maintenance, and insurance. The  
22 superintendent does say he adds 15,000 miles to his  
23 income tax.  
24 We have four high schools in this  
25 regional district. The schools have a combined

23

1 total of thirty-one principals, sixty-secretaries,  
2 and thirty-four guidance counselors, and that  
3 doesn't even include the thirty-four people that are  
4 in the administrative staff.  
5 These are only two schools. The  
6 schools are out of control. They don't listen. I  
7 go to every meeting, and I can guarantee you they  
8 don't. The whole system needs to be revamped.

9 Since New Jersey is the only state --  
10 I've called many and written many -- state in the  
11 United States that has a superintendent for each and  
12 every school, we don't need them. We have to have -  
13 - we need one for the state, one of the county; and  
14 in cities like Newark, Camden, you know, city  
15 superintendents. Principals run schools.  
16 All teachers should be state  
17 employees, and they need to -- when a teacher is  
18 hired, he or she should receive a current pay scale;  
19 each year, the salary should be raised by the  
20 current cost of living, such as Social Security,  
21 federal employees and all.  
22 Every four to five years, the New  
23 Jersey Legislature should review the pay scales, and  
24 determine if inflation at that time warrants an  
25 increase. I'm getting -- and warrants an increase.

24

1 This would end the five, six, and seven percent per  
2 year raises that have been occurring.  
3 Health benefits. Would you believe  
4 that the taxpayers are paying eleven to \$13,000 per  
5 year for health benefits and dental coverage for  
6 school employees and their families? I don't know

7 the amount, but we're also paying that for state  
8 employees. These are workers who have a very small  
9 co-pay, if any. It is unrealistic to expect  
10 taxpayers to pay the complete cost of benefits, not  
11 only for the employee, but for their families.  
12 Real property tax relief is when the  
13 tax bills come down. There are many more ways to  
14 cut taxes, but I've given you two huge ones. I do  
15 hope you consider my proposals. They will cut taxes  
16 across the state by at least \$1 billion. Thank you  
17 very much.

18 UNIDENTIFIED: And before we proceed -

19 -

20 (Applause)

21 MR. VAN HORN: Thank you. And I

22 appreciate everyone's patience in letting the

23 speakers talk, and not interrupting them during

24 their speeches. That's very helpful.

25 Before we proceed with the next

25

1 witness, I just want to welcome Senator Van Wagner,

2 who came in after we did -- Richard Van Wagner,

3 after we did our introductions, and Mr. Tom Malloy

4 from Bayonne -- Terrence, excuse me, Terrence, from

5 Bayonne. Thank you.

6 Now do I have your pronunciation right

7 of your name?

8 MS. TALLAFIERO: Yes, you do.

9 MR. VAN HORN: All right. Thank you.

10 MS. TALLAFIERO: It's Tallafiero.

11 MR. VAN HORN: Thank you. And after

12 Ms. Tallafiero, Mitchell Landis (phonetic), I think

13 would be next. If you would come down here, Mr.

14 Landis. Thank you very much, and welcome.

15 MS. TALLAFIERO: Good evening, Mr.

16 Chairman and members of your task force.

17 Let me first begin by saying, I'm

18 insulted that your task force did not find a way to,

19 one out of three of the largest cities in New Jersey

20 -- Newark, Jersey City and Paterson are your three

21 major cities, and your hearing should have been

22 brought in there, somewhere besides Bergen County.

23 Also, let me begin by saying, fifty

24 years ago we celebrated the Brown v. Board of

25 Education decision, on May 17th, 1954. I was a

26

1 junior in high school at the time, so you can tell

2 I'm pretty much up there in age. Forty years ago,

3 we celebrated the civil rights legislation being  
4 passed.

5 And, yet, I come here today to talk  
6 about a constitutional conference that would cut  
7 taxes on the backs of the legislation that was one  
8 of the most profound legislation decisions in the  
9 State of New Jersey; and, I might add, the country,  
10 since the Brown v. Board of Education.

11 I come from a city that has been  
12 racked with municipal overburden. I come from a  
13 city where 29,000 of its children are struggling to  
14 get a quality education. I come from the days where  
15 the state accepted budgets well below the caps. And  
16 I come from the days when members like yourself sat  
17 around a board of education and did not care about  
18 children of color.

19 Being the third-most racist state in  
20 the State of New Jersey (sic), we have to rise above  
21 that, and rise to the occasion. I might walk  
22 slowly, but I don't walk backwards. And we need to  
23 understand that every child in this state, education  
24 should never be based on property tax. It demeans  
25 the fact that we don't care about children (sic).

1 Now, while the Governor sat here --  
2 and he put together this task force -- why did he  
3 not put together a millionaire's tax, that would  
4 have prevented you guys from sitting here, and some  
5 of you ladies, from sitting here, discussing how to  
6 back-door a decision that rescues children.  
7 I also come from the days of a city  
8 where we sat there with a state department that  
9 recognized that we had one of the worst educators in  
10 the history of this country, who was Joe Clark, and  
11 did nothing.  
12 So you have a responsibility to help  
13 rescue those children by all means necessary. And I  
14 thank you.  
15 MR. VAN HORN: Thank you, ma'am.  
16 (Applause)  
17 MR. VAN HORN: Mr. Landis, followed by  
18 Bruce Coe (phonetic).  
19 MR. LANDIS: Thank you.  
20 MR. VAN HORN: Thank you, sir.  
21 MR. LANDIS: My name is Mickey Landis,  
22 I'm a resident of Middlesex County. I work in  
23 Mercer County. I have four young children, all are  
24 on or soon to be in the public school system. And I  
25 am both very concerned about the high rate of

1 property taxes that we all pay, and I also fully  
2 support the funding of the Abbot districts. And  
3 whatever solutions this group looks to find in  
4 reducing the burden that we all look to reduce on  
5 our own property taxes hopefully will not come from  
6 that basket.

7 But I'm here to speak about something  
8 else, which is the business side. As a  
9 businessperson, I'm a real estate developer. We  
10 lease -- my company leases space to companies, who  
11 have choices to make, whether to locate in New  
12 Jersey or elsewhere. And just as we've heard  
13 commentary that this shouldn't come on the back of  
14 the Abbot districts, which I said I agree, I also  
15 would not want to see this come at the risk of what  
16 I've heard is looking to put additional burden on  
17 business.

18 The reason I say that is that  
19 businesses are typically ratables, which keep down  
20 the taxes for the residents. I've been in a number  
21 of forums and seminars, speaking with residents who  
22 don't always understand that a ratable typically  
23 means a company is coming in, providing all of its  
24 own services, and paying taxes to the community. It  
25 supports all the residential expenses of the

29

1 community, which typically exceed what property  
2 taxes are paid per capita, per household.  
3 And, in particular, the business where  
4 I work, the Carnegie Center, right down the road  
5 from here, has 2 million square feet of office  
6 space, is the primary taxpayer in West Windsor. All  
7 of the center creates all of its own services:  
8 Garbage-removal, paid for privately by Carnegie  
9 Center; snow-removal, road repairs, lighting, on and  
10 on. There is no service provided by the  
11 municipality or the state. These are the ratables  
12 that the state needs to look to attract, to help  
13 reduce the residential burden.  
14 And I want to make sure that people  
15 understand that businesses have choices. The  
16 alternative choices are to go, in this case, to  
17 Bucks County; or, in Northern New Jersey, to go to  
18 New York State. Over forty states offer incentives  
19 to businesses to locate within their state.  
20 The State of New Jersey has to  
21 continue those incentives. There was talk of  
22 reducing or eliminating BEEP grants (sic) recently.  
23 Fortunately, that was not done, better common sense  
24 prevailed.  
25 I just wanted to make sure that, in



30

1 any discussion of taxes, that there will be  
2 inclusion of the voice of business, to help address  
3 the issue of -- the very difficult issue that you  
4 face here of how to reduce taxes. We certainly  
5 don't want to do it by turning away the source that  
6 will help reduce taxes.

7 MR. VAN HORN: Thank you, sir.

8 Bruce Coe, followed by August Scotto  
9 (phonetic). So if August Scotto would come down.  
10 Mr. Coe.

11 MR. COE: Thank you. Good evening.

12 I'm Bruce Coe, I'm a resident of Lambertville, New  
13 Jersey; I live between the canal and the river,  
14 except for the last couple of weeks I've been living  
15 in the river. But the river is gone, and I've moved  
16 back into my house full time.  
17 I also was chairman of something  
18 similar to what you're talking about creating, the  
19 so-called "SLURP Commission." This goes back,  
20 Richie -- Senator Van Wagner remembers this, back  
21 from 1985, 1988. We studied all state and local  
22 revenues, and all state and local expenditures. We  
23 spent a lot of time, a lot of money, too, studying

24 it, came up with a lot of recommendations; about  
25 111. Of the 111, the Legislature passed about half,

31

1 roughly fifty-six or so out of the 111

2 recommendations.

3 I'm also President Emeritus of the New

4 Jersey Business and Industry Association. I'm

5 director emeritus of various companies. The word

6 "emeritus" means you're getting old, I think. I

7 think that's the refined definition of what it

8 means.

9 I'm also heavily involved with a group

10 of people called Citizens for the Public Good.

11 Those are words taken directly from the state

12 constitution. This came about, about three years

13 ago, when a group of us concluded that the state was

14 having trouble addressing certain issues, and

15 particular to, we were concerned about and talked

16 about what could we do, we're pay-to-play, and we

17 felt that needed to be reformed. We also knew why

18 it was difficult to get it done. And the other was

19 the excessive reliance in New Jersey upon property

20 taxes. And we know why that's very difficult to fix

21 legislatively.

22 So we actually concluded that we  
23 needed to get the public involved, and so we formed  
24 a nonprofit called the Coalition for the Public  
25 Good. We were able to get funding from the Fund for

32

1 New Jersey, the Dodge Foundation, and the Schuman  
2 Foundation (phonetic), almost \$300,000 so far of  
3 foundation money, to fund our efforts to get the  
4 public doing what you hope this constitutional  
5 convention will do.

6 We've been holding -- we had an  
7 assembly about a year ago in Trenton, we've had  
8 various other follow-ups since then, in June of this  
9 year. I have one there remaining (sic), and done  
10 very gracefully, by the way.

11 And I only have one thought to convey  
12 to you, and the one thought is that your mission  
13 statement is going to be critical, in terms of  
14 whether or not this convention is able to achieve a  
15 worthwhile goal. I can think of mission statements  
16 that would absolutely torpedo the entire ability to  
17 get this -- accomplish anything.

18 So, in that context; and, again, in  
19 keying off my experience with SLURP, I would urge

20 you to not focus on the spending side of the  
21 equation in the mission statement, but focus on the  
22 tax revenues. It doesn't make any difference  
23 whether you're -- when Governor Byrne became  
24 governor in '73, the state budget was \$2 billion;  
25 when the SLURP Commission came into being in 1985,

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1 the state budget was \$8 billion; and the state  
2 budget is currently \$27 billion, something like  
3 that.  
4 So the question is: Where should  
5 those monies come from? Should they come from  
6 income taxes, sales taxes, corporate taxes, et  
7 cetera? And if those kinds of issues, I think, are  
8 critically important, and I think if you focus -- if  
9 the constitutional convention is charged only with  
10 focusing on them, it can be successful. If you toss  
11 spending in, I think it will fail. Thank you very  
12 much.

13 MR. VAN HORN: And thank you, Mr. Coe.  
14 August Scotto, and then Jack Moslim  
15 (phonetic), if you would come down, Mr. Moslim. Mr.  
16 Scotto. Welcome.

17 MR. SCOTTO: Hi. My name is August

18 Scotto, and I'm from Hamilton.  
19 The solution to our high property  
20 taxes has been worked on before. I checked, and in  
21 1965, everyone agreed our property tax was too high.  
22 So, to solve this problem, they gave us a three  
23 percent sales tax to lower our property tax. In  
24 Hamilton, our school budget was \$7.2 million, and  
25 the student enrollment was 14,000.

34

1 In 1968, they borrowed \$1 billion for  
2 a school bond issue for education, to lower our  
3 property taxes. Our school budget was \$9 million in  
4 Hamilton then.

5 In 1970, they raised the sales tax to  
6 five percent, to lower our property tax. Our total  
7 school budget was \$10 million. Also in 1970, they  
8 started the New Jersey Lottery to lower our property  
9 tax.

10 (Laughter)

11 MR. SCOTTO: Then, in 1976, they  
12 really changed things. They gave us the Atlantic  
13 City Casinos and the New Jersey Income Tax, to lower  
14 our property tax.

15 (Laughter)

16 MR. SCOTTO: The Hamilton school  
17 budget was \$24 million. Later, they raised the  
18 sales tax to six percent, and they raised the income  
19 tax, and they gave us a lot of other tax goodies to  
20 lower our property tax.  
21 But did they all help? Well, in  
22 Hamilton today is \$149.3 million, and there's only  
23 13,500 students. And so they fooled us, didn't  
24 they? And in the same period of time, inflation  
25 only rose about 195 percent. So it's not working

35

1 out that way, the way they should work out.  
2 And I checked with the U.S. Department  
3 of Education, and they said that the state spends  
4 more money, this New Jersey, on education than any  
5 state in the country. We are near the top of all  
6 the states in salaries we pay out in our schools.  
7 But then I was told the quality of education, we  
8 rank twenty-sixth in the country. So we're not  
9 getting what we pay for.  
10 So money is not the problem. They got  
11 to stop spending at all levels of government. They  
12 got to stop this baloney about, well, we need this,  
13 where do you want to cut. All they got to do is

14 stop -- to use the -- that pay-to-play, to keep the  
15 contractors from putting in more money than they  
16 ever put in in the history of New Jersey, so they  
17 want that money back with interest. And who pays  
18 it? We do, with all our taxes.

19 MR. VAN HORN: Thank you.

20 (Applause)

21 MR. VAN HORN: Mr. Moslim, if I have  
22 that correct, and Walter Helfrecht (phonetic),  
23 following that.

24 MR. MOSLIM: Good evening, and thank  
25 you very much for being here. This is a great

36

1 public service. And in my own little way, I was an  
2 activist for this convention, gathering petition  
3 signatures, and I would like to thank you. It's a  
4 long time coming.  
5 My name is Jack Moslim, I am a former  
6 local official, and that makes me an expert in  
7 nothing, but I have some practical thoughts that I'd  
8 like to share with you.  
9 It seems to me that, in terms of the  
10 scope of the convention, it ought to consider two  
11 things; the first of which, of course, is abolishing

12 the property tax all together as a way to fund  
13 public schools.  
14 If we were -- if our goal was to  
15 create a system that would guarantee that the middle  
16 class could never get ahead, that poor people could  
17 never afford to buy their own homes, that senior  
18 citizens would have to leave, and that the last  
19 blade in New Jersey would be paved over, we would  
20 invent the property tax. It is a relic of the 19th  
21 Century, it is entirely regressive, and it's got to  
22 be abolished and replaced with something much more  
23 broadly based, something which more people pay, and  
24 something which is not -- something which is, in  
25 some way, related to one's ability to pay the tax.

37

1 And keep this in mind, because there  
2 are those who would defend the status quo. I am  
3 convinced, and I think most people who pay the  
4 property tax are convinced, that whatever the  
5 convention could produce in the way of replacement  
6 can't possibly be worse than the property tax itself  
7 as a way to pay for schools.  
8 Secondly, I would -- I would urge  
9 that the convention be required to consider



10 establishing, again, a bright, bold division between  
11 the responsibilities of the Legislature and the  
12 responsibility of the Supreme Court of the State of  
13 New Jersey, which has no business, none; it has no  
14 constitutional authority to make determinations on  
15 how our money should be spent, for whose benefit,  
16 and how much of it. That's the Legislature's  
17 responsibility. We elect you guys to do those  
18 things. And it's time that the Legislature be  
19 required, I think, to take its own responsibility  
20 under the constitution more seriously.  
21 I have a lot more ideas, but I don't  
22 want to bore you with them. So thank you very much  
23 once again.  
24 I want to make a special  
25 congratulations to Cy Thannikary, with whom I worked

38

1 a little bit. He was absolutely fearless and  
2 determined, and I think that this is very much the  
3 result of his efforts.  
4 Thank you all very much.  
5 MR. VAN HORN: Thank you, sir.  
6 (Applause)  
7 MR. VAN HORN: Walter Helfrecht, and

8 then Michelle Sakerka (sic), I believe it is, from  
9 the Greater Mercer County Chamber of Commerce. Mr.  
10 Helfrecht.  
11 MR. HELFRECHT: Good evening, members  
12 of the task force. I'm Walter Helfrecht, a resident  
13 of Upper Freehold Township in Monmouth County, I've  
14 been a lifelong resident of New Jersey for fifty-one  
15 years, I've been a homeowner for about half that  
16 time; and, of course, a property taxpayer. I have  
17 several suggestions for your consideration.  
18 The first suggestion: Read Alan  
19 Karcher's book, New Jersey's Multiple Municipal  
20 Madness. Mr. Karcher described in great detail the  
21 various dynamics that have caused the formation of  
22 over 560 municipalities in the twenty-one counties  
23 of New Jersey. In a nutshell, those dynamics were  
24 based in greed, extreme religious temperance and  
25 political conservatism, controversies over ownership

39

1 rights to thoroughfares and railroad rights of way,  
2 private communities which looked to keep out  
3 undesireables or those of lesser means, and  
4 development of communities around school system  
5 boundaries.

6 All of this tells anyone who's  
7 intelligent and paying attention that there is  
8 something very wrong with this system, and it has  
9 been very wrong for over 200 years. The historical  
10 understanding is essential, in order to effectively  
11 guide the formation of the constitutional  
12 convention.

13 My second suggestion: No voters -- no  
14 legislators voting in the convention. Consider  
15 that, for nearly thirty years after the New Jersey  
16 Supreme Court ruled that the property tax was --  
17 (End of Tape No. 1, Side A)

18 (Beginning of Tape No. 2, Side B)  
19 MR. HELFRECHT: -- out of Trenton. If  
20 legislators will be admitted in any capacity to a  
21 constitutional convention on property tax reform,  
22 let them be heard for input only, but have no vote  
23 in the convention business. They have had their  
24 chance for thirty years to vote on the venue in  
25 which they were elected to sit, but have not done

40

1 so. We don't need political wrangling in the  
2 people's convention. In my opinion, this would only  
3 sidetrack and create division.

4 My third suggestion: Do not discuss  
5 thorough and efficient at this convention. That  
6 will probably fall out as a result of realignment of  
7 the monies from a reform effort.  
8 Fourth suggestion: No remuneration to  
9 delegates, except incidental expenses directly  
10 related to the convention attendance.  
11 Fifth suggestion: Ordinary citizens  
12 only, no politicians or special interest groups  
13 represented as delegates.  
14 The seventh suggestion (sic):  
15 Delegates to come from each county, and number of  
16 delegates to be based on population therein.  
17 I have just one final comment. Many  
18 people are frustrated about the property taxes, go  
19 to their town halls and vent their anger and  
20 frustration toward the mayor and their governing  
21 body. The municipalities are keenly aware of the  
22 anger and frustration that their residents harbor.  
23 But the residents must learn and understand that  
24 much of what impacts the property tax bill is  
25 orchestrated at several different venues, over which

41

1 the municipal governing body has no control. The

2 property tax framework is embodied in the New Jersey

3 State Constitution. That is why this convention

4 needs to happen, and that is why we are here

5 tonight. Thank you for your time.

6 MR. MINION: Thank you. Thank you,

7 sir.

8 Michelle, I'm going to let you

9 pronounce your last name, so I don't mangle it, and

10 Denise Millington (phonetic) will follow Michelle.

11 MS. SAKERKA: Good evening. My name

12 is Michelle Sakerka, and I am the Executive Director

13 for the Greater Mercer County Chamber of Commerce.

14 I'm an attorney by trade, and I also have the

15 distinct pleasure of serving on a school board in

16 Mercer County; that being Washington Township. So I

17 bring unique perspective to you today.

18 By I am here tonight wearing my

19 chamber hat, as representing the business community.

20 And it's important for us to realize that the

21 business community is often overlooked when we talk

22 about property taxes.

23 Property taxes are passed off to the

24 business community indirectly through leases, and

25 it's not just about developers, but it's about all

1 businesses who pay through their leasing  
2 arrangement. We don't realize, and the business  
3 community who pays through -- these indirect taxes  
4 through their leases, they don't realize any relief  
5 that may come through property tax, such as through  
6 refunds or rebates, as property owners do. And so  
7 it is very important that, as we proceed forward,  
8 that we keep in mind the business voice. Just as  
9 the residential landowner is being crippled by the  
10 rising property tax, so, too, is the business  
11 community.

12 Mercer County is a rapid-growth  
13 county; in fact, it is one of the fastest growing  
14 counties, both residentially and for business,  
15 within the state.

16 My recommendations in terms of moving  
17 forward with your -- with your convention:

18 Number one, this is a legislative  
19 issue. Unfortunately, the legislators decided to  
20 pass it off to a convention. If it's going to go to  
21 a convention, there are some things to be  
22 considered. First and foremost, let's make sure  
23 that the business community does have a voice, and  
24 does have representation. Very important.

25 Items to be addressed. Focus on

43

1 spending. But we have to look at what drives

2 spending.

3 There are examples of districts that

4 you've heard tonight that may overspend and utilize

5 waste in spending; however, there are many

6 responsible school districts who have no control

7 over many fixed costs in many aspects of spending.

8 Let me give a few examples of these:

9 The rise in health benefits. This is

10 a cost the school district has absolutely no control

11 over.

12 Tenure. That drives many decisions

13 within a school district. Tenure plays a

14 significant effect, and union influence plays a

15 significant effect on fixed costs.

16 State mandates, in particular unfunded

17 state mandates, result in an increased need to push

18 paper through school districts; and, as a result, a

19 rise in administrative costs. This is an area that

20 has to be looked at as part of any issue or any area

21 of looking at spending.

22 Special education costs, which

23 continue to be on the rise, and are pushed on local

24 school districts to pay for. These are costs that a

25 school district can't be -- can't push off; they're

44

1 required by law to pay for them.

2 A perfect example is Washington

3 Township, one of the fastest growing municipalities

4 in the state, not only residentially, but recently

5 has become a very fertile ground for business.

6 Businesses have the opportunity to come and conduct

7 business in Washington Township, but they're being

8 scared about the rise in property tax out in

9 Washington Township; and, through that, the business

10 community needs to have a voice.

11 It's very important as you go forward

12 that you consider these indirect effects on the

13 business community. We realize property tax is

14 about, first and foremost, residential. That's what

15 you hear; you hear the senior citizens, you hear the

16 property -- the property owner. I'm a residential

17 owner, I pay significant property taxes. However,

18 it's so quick for us to pass over the business

19 community and the indirect effects that property

20 taxes have on them. So please keep that in mind as

21 you go forward, and thank you for your time this

22 evening.

23 MR. VAN HORN: Okay. Thank you.

24 Denise Millington, and then Vince



25 Calcagno (phonetic).

45

1 MS. MILLINGTON: Good evening. My

2 name is Denise Millington, I am the Chairperson for

3 the Trenton PTA/PTO Liaison Committee, which

4 represents the Trenton Public Schools. I'm a

5 resident of the City of Trenton, have been for many,

6 many, many years.

7 This issue is something that, no

8 matter what you do, not everybody is going to be

9 happy, so it's the kind of thing that you need to

10 come to a consensus on, rather than a majority

11 decision. It has to be something where everybody

12 shares the burden equally, based on their ability to

13 pay.

14 Wait, no, that's not right. They

15 share the responsibility, based on their ability to

16 pay, because we're all responsible for the debts

17 that the state incurs.

18 Amending thorough and efficient is not

19 one of the options. If you look at the statistics,

20 they'll tell you that the number of beds that

21 they're going to plan for prisons of the future are

22 based on the third grade test scores now. I seem to

23 recall that across this state, not just in the urban  
24 districts, when the state put out their new fourth  
25 grade tests, our fourth graders didn't do very well.

46

1 Oh, but, wait, then the state amended the test, so  
2 that they would do better. It costs at least  
3 \$50,000 a year for one inmate to be housed in  
4 prison.  
5 The focus of this, if you do go for a  
6 convention, the focus of this has to be revenue; it  
7 can't be the cutting, because everybody needs to cut  
8 everywhere. But you can't cut it for children. It  
9 would be like saying, well, you know, we know that  
10 the senior citizens need prescriptions, but we can't  
11 afford to pay it. It's the same as saying, well, we  
12 know that the middle class need property tax relief,  
13 but we can't do it for them. Nobody will be happy  
14 when you start looking at cutting spending. You  
15 need to look at revenue, and only revenue. Thank  
16 you.

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

18 (Applause)

19 MR. VAN HORN: Mayor Calcagno. Is  
20 that right?

21 MAYOR CALCAGNO: That's correct. Yes.

22 MR. VAN HORN: Welcome, Mayor. And

23 Sharon Ransavage (phonetic), if I've got that

24 correct, would be next, after the mayor. Thank you,

25 sir.

47

1 MAYOR CALCAGNO: My name is Vince

2 Calcagno, and I'm the Mayor of Washington Township

3 in Mercer County.

4 For me, the number one failure of the

5 current system, it is that it's making our children

6 a liability of our community, instead of an asset.

7 I have served on the township

8 committee for ten years and have seen my township

9 emerge as the classic example of why property tax

10 reform is needed. We have a wonderful community,

11 great schools, many volunteers, and actually a great

12 location. But when I-95 was completed between

13 Trenton and the shore, we saw the writing on the

14 wall. Our farming community would be a magnet for

15 development.

16 Since then, our township's population

17 exploded from 3,000 in 1980 to nearly 13,000 today.

18 Over the years, as the school children have been

19 moved in or have been born into the families that  
20 have moved to our town, Washington -- Washington  
21 Township, state aid has not kept pace with the rapid  
22 increase. The result is skyrocketing property taxes  
23 with little relief in sight. One of the -- my  
24 colleges on the township committee even suggested  
25 hiring a lobbyist to get the state aid that the

48

1 formula suggests we should be receiving.  
2 Seniors feel worse in our town. They  
3 feel priced out of their homes, many have taken out  
4 their frustration by voting against the school  
5 budget, where it is the only opportunity to register  
6 their frustration. It's not because they do not see  
7 the importance of educating our children; yet, the  
8 dynamic between our seniors and the parents of  
9 school-aged children has caused great unrest in our  
10 community, and has been fueled, unfortunately, by  
11 those who exploit frustration and fear to their  
12 advantage, without providing any kind of real  
13 solution.  
14 The committee, the township committee,  
15 has worked tirelessly to provide a better balance  
16 between residential, commercial, farming, and open

17 space, but this balance will help, but it will not  
18 solve the fundamental problem. Without reform,  
19 business will leave, not only our township, but the  
20 state, because the work force cannot afford to live  
21 here, and the businesses cannot afford to locate  
22 here. This is a dismal economic trend for our  
23 state, not only our community.  
24 I am certain encouraged, more than  
25 I've ever been, to see the establishment of this

49

1 task force to start on the road to real, true  
2 property tax reform, instead of this confusing and  
3 questionably funded system of rebates. In fact, I  
4 do believe that, if we can solve this problem, it  
5 would certainly be worthy of a Nobel Peace -- Nobel  
6 Price in Economics.  
7 So I would just like to, you know,  
8 thank you for this opportunity to speak to you about  
9 this.  
10 MR. VAN HORN: Thank you, sir.  
11 Sharon Ransavage, followed by Junius  
12 Williams (phonetic).  
13 MS. RANSAVAGE: Good evening. My name  
14 is Sharon Ransavage, and I'd like to thank all of

15 you for the opportunity to speak to the task force  
16 about this really most significant issue addressing  
17 everyone in the State of New Jersey. And I'd just  
18 like to follow up on the comments on the individual  
19 who spoke before me about if you -- if the  
20 convention is actually able to solve this problem,  
21 they certainly should be eligible for a Nobel Prize.  
22 I was very -- I basically am an  
23 attorney in private practice. That's not my first  
24 hat. My first hat is I am a wife, mother, and I  
25 raised three sons in Hunterdon County, all of whom

50

1 were fortunate enough to be educated in the public  
2 schools in Hunterdon County, which fortunately  
3 provide a wonderful education.  
4 I've always been involved in public  
5 policy issues; because of that, I was appointed in  
6 1991 Prosecutor of Hunterdon County for a term of  
7 six years, which is one of the best experiences of  
8 my life as an attorney, because I was able to  
9 address public policy issues. And I've been  
10 involved with the Citizens for the Public Good.  
11 I was very saddened when I began to  
12 realize that there were those who were concerned

13 that the decision by the Supreme Court in Abbot  
14 would be undermined by a tax convention, and I was  
15 saddened when I came here today and I saw the signs  
16 in the back about fully funding Abbot, because my  
17 thoughts about being an activist on the issue of tax  
18 reform is that we would precisely do the right  
19 thing, in terms of funding education for all of our  
20 children at a fair and equitable level.  
21 But this is not just a boring topic  
22 about tax reform, that what we're talking here is  
23 about social justice, and we're talking about social  
24 justice in terms of how we tax people, how we  
25 formulate our public policy based on how we tax.

51

1 In the very beautiful community in  
2 which I live, we have followed the dollar, in terms  
3 of developing land, building strip malls, widening  
4 our highways, and chasing ratables. There are other  
5 communities where they are older suburbs or cities,  
6 where that's not the name of the game; the name of  
7 the game is, how do we get more money to fund  
8 education. It's sad that education has become such a  
9 focus, but it is because taxpayers understand that  
10 their property tax is directly related to education.

11 I think that it's critical for this  
12 convention to succeed that we don't focus -- that  
13 the mission is not spending. That is a total  
14 abdication of the responsibility of the Legislature.  
15 To the extent that we begin to squabble over  
16 funding, we lose the real mission here.  
17 The real mission is reform. The real  
18 mission is to move towards a more fair and equitable  
19 New Jersey. The real mission is to address those  
20 issues that have been -- on which policy has been  
21 formulated by how we fund and how we create revenue.  
22 It would be sad and a major disappointment if the  
23 ending of this convention was that we just had more  
24 of the same.  
25 So my focus and my purpose in speaking

52

1 to you is, spending should not be on the table. The  
2 only issue is, how do we create revenue so that we  
3 can move forward towards a more equitable and fair  
4 New Jersey. Thank you.

5 (Applause)

6 MR. VAN HORN: Mr. Williams, followed

7 by Mr. Michael James. Mr. Williams.

8 MR. WILLIAMS: Thank you, Mr.



9 Chairman. I'm going to ask some of my friends to  
10 come down here for this little illustration.  
11 My name is Junius Williams, I live in  
12 Newark, I work at Rutgers Newark, and I am in charge  
13 of a group called the Abbot Leadership Institute.  
14 When they get here, you're going to see a little  
15 something here. I want two of you -- two of you to  
16 face the audience, so they can see. And two to face  
17 the task force.

18 (Participants confer away from microphone)

19 MR. WILLIAMS: We have -- I have a  
20 suggestion to make. The cost of education are borne  
21 up to fifty percent in many states, but only thirty-  
22 seven percent in New Jersey; that's a thirty-percent  
23 difference. Since property taxes are the main  
24 source of funding for public education, we can save  
25 thirteen percent of property tax expenses if the

53

1 state assumes an additional thirteen percent of the  
2 funding for public education. Now this number can  
3 be adjusted if we want to go higher than fifty  
4 percent, but we certainly shouldn't go any lower.  
5 The point is that decrease -- we can  
6 decrease reliance upon property tax to fund public

7 education for all schools, not just Abbot schools,  
8 but all schools. And there's a proverb that says,  
9 "A rising tide lifts all the boats."  
10 So if we focus on the income side --  
11 and one illustration, the general principle is, and  
12 someone already said it, we need to do something  
13 that's attached to people's ability to pay. And one  
14 of the ways to do that is to tweak the millionaire's  
15 tax. It's already there. Folks took a poll and  
16 said they wouldn't mind paying more, even some of  
17 the millionaires said, we'll pay a little more.  
18 It's out there on the table. We have to assume the  
19 responsibility in New Jersey for increasing the  
20 revenue if we're going to increase the state's  
21 responsibility.  
22 Finally, this is a legislative task.  
23 Don't need a constitutional convention to do that.  
24 Legislation that we let has all the power it need  
25 (sic). We don't need to spend millions of dollars,

54

1 millions of dollars for a convention that's going to  
2 be derisive, that's going to split the community,  
3 that's going to polarize the community. We need to  
4 just focus on one issue: Cutting down the property

5 tax in a fair and equitable manner. Thank you all

6 for allowing me to speak.

7 MR. VAN HORN: Thank you, sir.

8 (Applause)

9 MR. VAN HORN: Michael James, and then

10 Richard Messenger (sic), I believe. Mr. James.

11 MR. JAMES: Good evening. Chairman

12 and task force members and attendees, thank you for

13 giving me this opportunity.

14 My name is Michael James, I'm a small

15 business owner and a property owner in the City of

16 Newark, and I'm an advocate for all of our children.

17 I have only two sentences I want you to hear from

18 me, and they are:

19 Please don't let the constitutional

20 amendment convention be the death of thorough and

21 efficient education in the State of New Jersey.

22 And don't balance the books on the

23 backs of our children.

24 Thank you.

25 MR. VAN HORN: Thank you, sir.

55

1 (Applause)

2 MR. VAN HORN: Richard Messenger

3 (sic), and Marilyn Askin (phonetic) phonetic, slash  
4 Doug Johnston (phonetic). I guess --  
5 MR. MESSNER: Good evening. I want to  
6 thank the task force for giving me this opportunity  
7 to speak tonight, and also for the public to have  
8 their input.  
9 My name is Richard Messner (phonetic),  
10 I live on 34 Betsy Ross Drive; the post office is  
11 Allentown, but I really live in Upper Freehold  
12 Township. I'm a former council member, former  
13 deputy mayor, a former mayor, and a former  
14 superintendent of schools. So I guess the peter  
15 principle works for me.  
16 Number one, I believe there should be  
17 a constitutional convention to change the property  
18 tax system, as well as expenses related to local,  
19 county, and state operations.  
20 The tax convention members should be  
21 chosen, not by special interest groups, but selected  
22 with specific life experiences that may reflect the  
23 cross-section of the New Jersey population. The  
24 members may be selected by county or legislative  
25 districts by popular vote. Since the Legislature

1 votes for the setting up of the constitutional  
2 guidelines, they should not be included as the  
3 delegates to the convention.  
4 Issues that need to be addressed are  
5 shared services for municipalities, boards of  
6 education. Counties may act as a conduit for this  
7 process. It's happened before, it's happened in  
8 Somerset County, and this is another area to  
9 consolidate services.  
10 Consolidation of school districts,  
11 either by region, counties, or other configurations  
12 should be considered. Also, municipal services may  
13 be consolidated on a more efficient bases; for  
14 example, shared services, purchasing other services,  
15 salt, what have you. Special education needs to be  
16 address on a more global basis, which also would  
17 include out of -- out-of-district placements.  
18 State-mandated programs ought to be  
19 funded by state government. Pension costs, health  
20 benefit costs that are approved by the State of New  
21 Jersey must be viewed in the same light as other  
22 mandates. The cost of the impacts on the county,  
23 municipalities, and board of educations. Also,  
24 utility increases approved by the BPU, et cetera,  
25 consider placing a spending cap on local and county

1 agencies.

2 The wealth of a community should not

3 be determined on land or house values, but on the

4 ability to pay. Average, ordinary people, are not

5 real estate -- are not in the real estate business.

6 People generally like to stay in similar

7 environments, close to family and friends, and not

8 be forced out by increasing property taxes, which

9 certainly in most cases exceed the rate of

10 inflation. The greatest negative impact on these

11 increased property taxes affect people on fixed

12 incomes. Their needs to be a cap on property tax

13 for these people, and those who are working as

14 underemployed.

15 Thank you so much, and I appreciate

16 this opportunity to give my point of view.

17 MR. VAN HORN: Thank you, sir.

18 MR. MESSNER: Thank you.

19 MR. VAN HORN: Marilyn Askin, are you

20 and Doug Johnson appearing together or -- Marilyn,

21 thank you and --

22 MS. ASKIN: And if he wants to hold my

23 hand, he may.

24 (Laughter)

25 MR. VAN HORN: Okay. Just one moment.

58

1 I also want to invite Gerald Nathanson down to the  
2 table, while Ms. Askin is speaking.

3 MS. ASKIN: Thank you.

4 MR. VAN HORN: Thank you.

5 MS. ASKIN: Thank you. Mr. Chairman,

6 distinguished members of the task force,

7 particularly Michael Cole, class of 1970, Rutgers

8 Law School. A colleague of mine.

9 There are 1.3 million members in New

10 Jersey, AARP members, there are more than 100 AARP

11 chapters, and there are thousands of AARP chapter

12 members, and thousands of AARP volunteers. On their

13 behalf, we thank you for this opportunity, and for

14 your work on this important issue.

15 While we agree with many of the

16 advocates here tonight that the Legislature ought to

17 do its job and decide on how to reform taxes,

18 because we're concerned that a convention may open

19 up a Pandora's Box. Nevertheless, if you do

20 recommend a constitutional convention, we call on

21 you to report to the Governor and the Legislature

22 that the purpose of the convention and issues to be

23 discussed deal only with reforms of the system of

24 taxation in New Jersey. Restrictions on possible

25 remedies ought to be few, but one such restriction

59

1 should protect education quality and funding in the  
2 classroom. Reform should be progressive and  
3 eliminate the inequities of the current system,  
4 which puts too much of the overall tax burden on  
5 homeowners and renters, regardless of ability to  
6 pay.

7 What I'd like to touch on now is  
8 something that the other advocates have not raised,  
9 and that is the criteria for delegates and their  
10 election. At AARP, we believe this is a critical  
11 issue. The task force will recommend how many  
12 delegates will attend, where they will come from,  
13 how a person qualifies to be a delegate, and how  
14 they will be elected. It will also be considering  
15 the roles of political parties in the elections and  
16 what campaign finance rules shall apply. Lastly,  
17 the task force will recommend the manner in which  
18 the people of New Jersey will vote on these  
19 criteria, as well as when the vote will take place.  
20 AARP recommends that, if the state  
21 decides to move forward with a constitutional  
22 convention on property tax, then it should create a  
23 clean election system that can be used by candidates



24 running to serve as convention delegates. A clean

25 money system allows qualified candidates to run

60

1 using exclusively public funds, and has worked

2 extremely well in a number of states throughout the

3 country. In fact, here in New Jersey, the Clean

4 Elections Pilot Project was signed into law,

5 sponsored earlier this year under the leadership of

6 Assembly Majority Leader Joe Roberts and

7 Assemblywoman Linda Greenstein.

8 The last thing we want to move forward

9 with a constitutional convention, in which citizens

10 feel left out. Clean elections can ensure that

11 average New Jerseyans feel engaged in the process,

12 and the delegates will serve the public interest.

13 I want to be absolutely clear. If the

14 task force does not recommend a clean election

15 system for electing delegates, then AARP may have no

16 alternative but to actively oppose the convening of

17 a constitutional convention.

18 Again, thank you for your work, time,

19 and your dedication.

20 MR. VAN HORN: Thank you.

21 (Applause)

22 MR. VAN HORN: Mr. Nathanson, and then

23 Richard Harburi (sic) following Mr. Nathanson.

24 MR. NATHANSON: Thank you for allowing

25 me and everyone else to speak this evening. My name

61

1 is Gerald Nathanson, I'm Vice Chairperson for the

2 Citizens for Property Tax Reform, and my function is

3 outreach. Cy Thannikary is the chairman of this

4 organization, and we've been working on this area

5 for this convention for well over a year.

6 I just want to sort of piggyback a bit

7 on what the AARP speaker indicated. The need to

8 have delegates to this convention appear to be

9 representative of the population is extremely

10 important; it's more important than any other issue.

11 If there is any thought in the public's mind that

12 this is PACed, that it's dedicated or steered by a

13 particular party or special interest groups with

14 special agendas, this will not succeed.

15 Remember that, after the

16 recommendations of this convention are made, the

17 public has their voice. If it's perceived that this

18 is not fair and balanced, if it's perceived that

19 there are groups within our population that are not

20 represented or significantly under -- under

21 represented, this will be fought to its death.

22 We've come so far, and I give you

23 people such credit, in having these open sessions.

24 It's absolutely mandatory that the public perceive

25 this as a positive step to rectify -- excuse me -- a

62

1 situation that has existed for thirty years without

2 remediation.

3 I implore you, and I am sure you will,

4 choose the right way to have delegates represented

5 for this convention, that the general population of

6 New Jersey will feel is proper, right, and fair.

7 Thank you very much.

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

9 sir.

10 Mr. Harburi (sic), and then Seth

11 Stern.

12 MR. HARBURT: Thank you. Thank you.

13 I'm Richard Harburt (phonetic) from West Windsor

14 Township. Thank you, Mr. Chairman and members of

15 the task force for providing this opportunity.

16 I'm a typical senior citizen that has

17 provided extensive volunteer service to my community

18 for many years. I've been a resident in the same  
19 home for almost fifty years. I would like to stay  
20 there the rest of my life.  
21 It just so happens that my current  
22 income is strictly Social Security, which the net  
23 figure is a little over \$20,000. The 2004 real  
24 estate taxes on my home is over -- it's almost  
25 \$8,000. After the rebates and the property freeze

63

1 that I qualify for, it comes down to about \$5,000,  
2 which is still twenty-five percent of my income.  
3 I spent at least twenty years  
4 volunteering for my community; thirteen of those  
5 years was on the Board of Education of West  
6 Windsor/Plainsboro. That board, which was from '74  
7 to '87, and the superintendent that we hired,  
8 actually created the West Windsor/Plainsboro School  
9 District that everyone flocks to at this time.  
10 I really shouldn't have done that job  
11 along with my companions, because our property taxes  
12 would have been lower, because we've had increases  
13 of students, like 400 per year, for the last twenty  
14 years. We had to build the representative schools.  
15 Part of that twenty years of volunteering, in many

16 ways, was serving the youth of our community.  
17 I would just like to say, please  
18 expedite action to have a tax convention to correct  
19 the antique tax structure. The over-reliance on  
20 property tax is confiscated. There's a detriment to  
21 diversity of communities and prevents the spirit of  
22 community from being maintained.  
23 To drastically reduce reliance on  
24 property tax for schools would help inner-city  
25 schools by increasing family home-ownership; thus,

64

1 stabilizing the inner-city population on a more  
2 family unit basis. That would solve many problems  
3 and reduce expenses of Band-Aid fixes for senior  
4 citizens.  
5 The delegates to the convention should  
6 be expert in various disciplines dealing with the  
7 goals to maintain a durable quality public education  
8 and the means to pay for it equitably. They should  
9 not be burdened with worrying about reelection or  
10 election by various special interest groups in  
11 carrying out this process.  
12 The primary function of the convention  
13 is to change the funding method of public education.

14 At some time, the cost has to be considered, but  
15 that should be after the convention has done its  
16 job, and the Legislature should do that through its  
17 normal procedures. Thank you.

18 MR. VAN HORN: Thank you, sir.

19 Let me recognize and welcome Senator  
20 Leonard Lance, who's joined us. Thank you, Senator,  
21 for coming.

22 And we're going to hear now from Seth  
23 Stern, followed by Steve McPhillips (phonetic). Mr.  
24 Stern.

25 MR. STERN: I'm Seth Stern from East

65

1 Brunswick. I'm not very good at speaking, but I'll  
2 speak very short.  
3 I don't own any homes, and I don't own  
4 property; I rent. Even though that's true, rent is  
5 very affected by high property taxes, that's why  
6 rent is so sky-high in New Jersey, and that's why  
7 people who are low-incomers, like me, cannot afford  
8 to own homes because of these ridiculous, sky-high  
9 property tax.  
10 Enough is enough. No more of this  
11 political nonsense. Enough acting politics. Let's

12 act as leaders and work together, work for the  
13 American voters, us. Because we're the ones who put  
14 you all in power. If you don't do what the American  
15 voters want, no reelection.  
16 I want to see property taxes come down  
17 to be more affordable for the low-income workers,  
18 the disabled, and the senior citizens who do not  
19 have the money and cannot afford to pay high  
20 property taxes like the rich people. It's hurting  
21 me because I'm paying high rent. I can't own a  
22 home. I'm on a waiting list for affordable housing  
23 for any low-incomers. So let the state pay more for  
24 the schools, and the taxpayers pay less.  
25 Once again, for the Governor and the

66

1 whole legislator (sic), enough. Make changes. Do  
2 what the voters want, or get out. Thank you.  
3 MR. VAN HORN: Thank you, sir.  
4 (Applause)  
5 MR. VAN HORN: Steve McPhillips, and  
6 then Dorothis Kukodas (phonetic). Mr. McPhillips.  
7 MR. MC PHILLIPS: I want to thank the  
8 task force for allowing me to speak today.  
9 I have two issues that I want to speak

10 to. One is, I want to echo Mr. Horne and all the  
11 other speakers who said that this selection process  
12 with the delegates must be as politically free in  
13 reality and perception to the public, or this will  
14 be a waste of time.  
15 I also suggest, and I don't know how  
16 many delegates there will be, but at least half of  
17 the municipalities in every county have at least one  
18 representative. Now I don't know how they're going  
19 to do that, but unless that happens, there will be a  
20 perception that our communities are not being  
21 represented in total or in part, most part.  
22 And the other thing that I hear  
23 tonight, I hear the revenue side, I hear the  
24 expenditure side, if anyone thinks that we're going  
25 to increase revenue in this process I think they're

67

1 mistaken, because that would mean we'd be increasing  
2 taxes. And that's just what I don't think this  
3 constitutional convention is about.  
4 I think we have to take a look at our  
5 existing revenues and how they are distributed, how  
6 they are distributed unfairly at present. There  
7 needs to be a thorough analysis that how our state



8 funds that are raised by our present tax system are  
9 distributed to the municipalities and our school  
10 districts; and, in short, ensure that there is an  
11 equitable distribution of these monies.  
12 I am from Washington Township. We've  
13 heard from two representatives of our community  
14 already. We are being crushed by the rapidly  
15 increasing property tax; and, in part, it's because  
16 we are not receiving our fair share. So a thorough  
17 analysis has to be looked at in this case.  
18 And there also has to be some type of  
19 adjustment to recognize in the formula for these --  
20 distribution of these funds for rapidly growing  
21 townships from political subdivisions. Because,  
22 right now, there is no provision for that, other  
23 than what lobbyists can get for the particular  
24 municipalities.  
25 I want to thank you again. And I also

68

1 want to recognize Mr. Cy Thannikary, a colleague of  
2 mine, many years ago, and for the wonderful job he  
3 has put forth in getting this thing started. Thank  
4 you very much.  
5 MR. VAN HORN: Thank you.

6 (End of Tape No. 1, Side B)

7 (Beginning of Tape No. 2, Side A)

8 MS. KUKODAS: Gentlemen, thank you for

9 allowing me to come here. I want you to know, I'm

10 older than every one of you.

11 (Laughter)

12 MS. KUKODAS: I was born in 1929, and

13 I've been writing about property taxes since 1947.

14 My parents were born in Greece -- I'm

15 going to tell you quickly about myself. I'm a

16 former school teacher, and I did taxes, income

17 taxes, for eighteen years. Both by parents were

18 born in Greece; I was the last of six children. My

19 sisters and brothers did not speak English when they

20 went to school because my parents spoke Greek in the

21 home, but they learned the English language.

22 And I was born in a little town up in

23 Carbondale, Pennsylvania, the heart of the

24 anthracite, beyond the Poconos, above Scranton, and

25 I got the best education in the world from teachers

69

1 who were normal school graduates. I learned

2 history, I had command of the English language from

3 high school -- from grade school through high

4 school.

5 Now I'm going to tell you why I'm so

6 interested in property taxes. My father had a great

7 influence on me. And when I was in seventh grade,

8 my dad, of course, being Greek, was in the food

9 business. And he -- we had a dining room and

10 homemade ice cream, homemade candy. And I used to

11 go down to my father's store after school every day

12 and eat an ice cream cone. I'd be one of the lucky

13 kids. We were never poor.

14 But I remember the Depression. I do

15 remember when my mother -- the hobos used to jump

16 off the train. I don't know if you people even

17 remember this, but jump off the trains into the

18 neighborhoods. And my mother always fed the hobos

19 who came to her door, never turned them away. And

20 they were lucky, she was a good cook, and it was

21 Greek cooking.

22 My dad, in -- in seventh grade, one

23 day when I went in my father's store, my dad said to

24 me -- this old lady, I still remember her name, her

25 name was Mrs. Rooney -- he said, see that lady. He

70

1 said, this is the greatest country in the world, and

2 that lady lost her home to property taxes. And he  
3 said to me, Catholic Charities, in conjunction with  
4 my father, were giving this woman two meals a day.  
5 She lost her home, and she was living in one room in  
6 a hotel. I never forgot it, it made an impact in my  
7 life.

8 And when I was a senior in high  
9 school, guess what? I wrote an essay that property  
10 taxes were evil. And my teacher said to me,  
11 Dorothea, she said, how will we fund the schools.  
12 And I didn't know too much then, and I said, well,  
13 it's got to be some other way.  
14 Now I've been writing about this all  
15 my life. I'm not going to read all of this to you,  
16 but I'm just going to read you one letter that I  
17 wrote to Mayor Palmer, and he thanked me, and this  
18 was in 1993. And I said -- I told him, I learned  
19 about the confiscatory tax from my dad, and I said  
20 to him also, see, a black lady in Philadelphia lost  
21 her home, nobody really cared.

22 A man up in North Jersey -- and I got  
23 these from the newspaper, the Star Ledger covered  
24 the story, he was a World War I veteran, and they  
25 came to confiscate his home. Guess what? He sat on

1 the front porch with a shotgun. The Star Ledger  
2 showed up, the neighbors gathered around, and they  
3 backed off. And they said, ah, he'll be dead in two  
4 years anyway, we'll get his house. Okay? This is  
5 not contrary (sic).  
6 I've written solutions -- and I know  
7 my time is up. But I have written to Governor  
8 Whitman, I taught in the public schools. And if I  
9 can tell you the abuses of the public schools, you  
10 will be appalled. And I am a cynic at my age, but  
11 not a hundred percent. And you know what a "cynic"  
12 is. All activities motivated by greed? I believe  
13 that. But I have ten percent hope, that's why I  
14 came here tonight.  
15 And I would -- I can't tell you them,  
16 but I have thoughts. I was in the school system, I  
17 saw what was going on, I saw the waste of money.  
18 And you wouldn't run your home the way I saw the  
19 school systems run. I quit teaching; and, yet, I  
20 loved it.  
21 And I decided do income tax. And if  
22 you know nothing about the Tax Reform of 1986, you  
23 should find out about it. And I know I don't have  
24 the time to tell you. But you, as Americans, we,  
25 the common people, we would have a revolt, we would

72

1 have a revolt if you saw where the money is creamed

2 away.

3 I'm sorry to be here, but I have ten

4 percent hope, because I have five grandchildren, and

5 I want them to get the education that I got. I

6 graduated from Syracuse University, I studied at a

7 Jesuit college up in Pennsylvania, and I never

8 regretted my education.

9 But I'm willing to give you my

10 thoughts and what I experienced because I'd like to

11 see this change. I don't call my home "ownership,"

12 I call it "indentured real estate."

13 MR. VAN HORN: Ma'am, we'd welcome if

14 you would submit materials to our staff.

15 MS. KUKODAS: I will, I'll give them

16 to you.

17 MR. VAN HORN: And we'll share them

18 with the members.

19 MS. KUKODAS: I'd love to help.

20 MR. VAN HORN: The staff is over here;

21 you can see them now or afterwards. Thanks very

22 much.

23 (Applause)

24 MR. VAN HORN: Redmond Rose

25 (phonetic), or Rose Redmond, if I've got that right.

73

1 Not here. Okay. Sandy Jarvis. Sandy Jarvis, here.

2 And then -- oh, this is -- these are -- I'm sorry.

3 Great. Then after Rose Redmond, then Sandy Jarvis.

4 That's not Rose -- are you Ms. Redmond? Okay. I

5 guess Ms. Redmond is not here. Okay. Sandy, Sandy

6 Jarvis.

7 MS. JARVIS: Good evening.

8 MR. VAN HORN: And then -- just one

9 moment. And then Mike Fennell (sic), it looks like,

10 or -- from Wall Township. Sandy Jarvis.

11 MS. JARVIS: Good evening, and thank

12 you for this opportunity to address the task force

13 like yourself.

14 I am opposed to a constitutional

15 convention, only because I want to see the cost of

16 education in my town -- I think it's very important

17 for people to realize, and if had not been done this

18 way presently, we all wouldn't know where the big

19 problem is. Now I believe that the taxes are too

20 high, and the problem in the property taxes is waste

21 in education.

22 I'll be very specific, a couple of

23 issues that I want to see changed is, I want to see

24 reduced administration. I don't feel that we need

25 superintendents on local levels. Regional levels,

74

1 state levels, et cetera; I think those could be

2 consolidated.

3 I would like to see tenure reformed.

4 I would like to see, in the vein of changing tenure,

5 that there's more accountability.

6 And benefits to employees in the

7 education industry would be more -- more like that

8 in the private industry. There are a lot of

9 squabbles about paying benefits and different

10 perques for teachers. And that's something that's

11 just not given in the private sector. To boot, when

12 you are tenured, you're pretty much guaranteed a

13 job, unless you have some kind of criminal charge

14 brought against you, and I think that is wrong.

15 But based -- and then another item

16 would be the funding formula, I believe should be

17 reformed. The Abbot districts should receive a per-

18 student figure equal to the average dollar spent on

19 all New Jersey students.

20 I've read, and I've been told

21 personally by someone who was a superintendent in

22 Irvington, when that Abbot case came up, that they



23 have so many funds that they cannot spend it, they  
24 don't know where to spend it. Money does not  
25 educate students.

75

1 I think we need to spend our time  
2 finding something that will help those -- those  
3 districts, not just giving them money. They need to  
4 know how to spend it, it needs to be spent properly  
5 on teachers that will teach. Basically, that's it,  
6 it should be spent on teachers, and more effective  
7 use of that money.  
8 But I believe that it is a waste, that  
9 is the problem with property taxes, waste in  
10 education. And if we can consolidate these services  
11 and just make the employees of the school system  
12 more compatible or more in line with what the  
13 private sector is, then I think that will help  
14 tremendously.  
15 MR. VAN HORN: Thank you.  
16 MS. JARVIS: Thank you.  
17 (Applause)  
18 MR. VAN HORN: Mike Fennell (sic), do  
19 I have that right? Okay. Well, you can correct me.  
20 And then followed by Mayor Bob Patten.

21 MR. FARRELL: It's Mike Farrell

22 (phonetic) from Wall Township.

23 I think the funding is a question,

24 where does the revenue come from. But the bigger

25 question is: What are we doing with the funding we

76

1 have.

2 High administration costs, as has been

3 mentioned; tenure, where teachers can sit and not

4 perform, perform at a lower standard. I've seen it

5 in my school district, and they said, well, if

6 they're caught embezzling or molesting, we can get

7 rid of them, but we can't get rid of a teacher, and

8 the teacher sits there and does not perform, and

9 students are failing.

10 I think we have to look at what the

11 Legislature can do. A constitutional convention is

12 not going to fix the problem. It is outsourcing it

13 out of the Legislature and letting them not be

14 leaders. We need to do something that says, how do

15 we lower the cost.

16 We do, obviously, have to look at

17 revenue. But fixing the constitution, my God, we've

18 been here for what, thirty years, trying to get a

19 constitutional convention in this state? If we fix  
20 it wrong with a constitutional convention, it will  
21 take that long to fix it again. The Legislature can  
22 enact and do things on quicker time frame and can  
23 adjust to what happens as they make funding changes.  
24 The state should also stop mandating  
25 programs they don't fund. I'd love to be able to

77

1 say, let's go buy this, but not pay for it. I mean,  
2 this is ridiculous. They need to fund what they're  
3 mandating, or back off. And they need to stop  
4 playing games with the citizens of New Jersey. A  
5 tax rebate? You're taking it from somewhere else,  
6 it must come out of my income tax or my sales tax.  
7 We need to focus on cutting the costs, reducing the  
8 costs, looking at revenue.  
9 I think you do have a hard job ahead  
10 of you because you've been asked to do a job that's  
11 impossible. The Legislature has made voters feel  
12 that it's up to you as a -- as a commission, a task  
13 force to tell them what to do. I think you ought to  
14 go back and tell them, fix it, this your mess, boys,  
15 fix it right now.  
16 I think the other thing, too, is that,

17 in all of this, we have a vested interest in making  
18 sure that our children do have an education. Every  
19 one of us is going to be collecting Social Security,  
20 those kids need jobs, they need to be able to be  
21 educated to pay for that. I think we have to  
22 realize that we can't leave kids uneducated, we  
23 can't fund them unnecessarily, and we can't forget  
24 about funding them. But, again, I think that this  
25 is something that has to be turned back to the

78

1 Legislature.

2 MR. VAN HORN: Thank you, sir.

3 (Applause)

4 MR. VAN HORN: Mayor Bob Patten, and

5 then Alan Cohen. Mayor Patten.

6 MAYOR PATTEN: Thank you very much,

7 Mr. Chairman and members of the task force. And,

8 wow, you've got a job ahead of you. It's not going

9 to be easy listening to all of these comments, and

10 you've got, I think, one other meeting that you're

11 going to have. And to put this all together is

12 going to be very difficult.

13 And I do want you to be very

14 objective. Politicians tend to be emotional, they

15 tend to look and weigh things out, and I think you  
16 need to continue to listen to the people and to act  
17 on objectivity, rather than emotion.  
18 I'm Bob Patten, the Mayor of the  
19 Borough of Hightstown in Mercer County. And I think  
20 it's all about these two flags right here. It  
21 represents, among other things, equality, both in  
22 education and in fair taxation, property taxation.  
23 It's high property taxes that we're  
24 concerned about, and it's really under-funding of  
25 our public schools. There seems to be an increase

79

1 in our state population, and we're about 8 million  
2 now, and in another ten, fifteen years, we're going  
3 to be another million people. And it's bringing  
4 children into our -- our communities, and children  
5 from all over the world, needing special education,  
6 special needs. Language is a problem, and just  
7 getting acquainted with our customs here in America.  
8 I wish we don't have to go to the  
9 point of a state constitutional convention. Our  
10 state legislators and their former governors have  
11 failed us. And if they have failed us, we have to,  
12 as it has been mentioned during this evening, keep

13 the legislators out of this. They're not going to  
14 help us at all. It's going to be the grassroots  
15 people who are going to be more meaningful in making  
16 decisions for the state.  
17 I think we have issues that are too  
18 many school districts, five -- 610 school districts.  
19 We have too many municipalities, 566. This is a  
20 small town. There's too many interest groups  
21 involved in this, as you've heard tonight.  
22 The funding is really -- the funding  
23 for public education is everyone's responsibility.  
24 And I must note that there are many private schools  
25 and colleges and universities in the state which are

80

1 not paying property taxes. We have to refine that,  
2 and make sure that everyone, including those  
3 entitled, are paying taxes, as well.  
4 Population growth. We're never going  
5 to catch up to it. We have to be very careful about  
6 this. We've got to be so far ahead in our thinking  
7 in whatever we do to reform property taxes, that we  
8 must make sure that we're looking extremely far  
9 ahead.  
10 And the last thing that I would like

11 to say is, don't leave a person like me, a mayor of

12 a small town like Hightstown, out of this process.

13 Put my name right at the top of the list, I'd be

14 glad to participate in this. Make the convention as

15 short as possible, don't stall it. And, again, keep

16 our state legislators and our former governors and

17 our former legislators out of it.

18 I would say, I do recommend former

19 Senator Bill Schluter as being definitely a member

20 of any convention. Thank you very much.

21 MR. VAN HORN: Alan Cohen, then

22 Councilman Gino Malone (phonetic) -- Maloney (sic),

23 probably. Mr. Cohen.

24 MR. COHEN: Alan Cohen, Lawrence

25 Township, representing myself.

81

1 There are two sides to the equation:

2 Taxes and spending. Because government spending is

3 so high in New Jersey, and large amounts of taxes

4 need to be raised to fund the spending, inequities

5 in the tax structure are exacerbated. If the

6 overall level of taxes was lower, the inequities

7 would be more tolerable. Spending drives the amount

8 of taxation, and spending in New Jersey continues to

9 increase, seemingly unabated, if you look at how the  
10 budgets at all levels of government have increased  
11 over the past few years.  
12 I'll just give you a recent example.  
13 Recently, the Lawrence Township Teachers Union and  
14 School Board completed negotiations on a new three-  
15 year contract. It gives teachers pay increases  
16 twice the rate of inflation over the next three  
17 years, and keeps the generous health benefits. And  
18 this is in the context of losing revenue from  
19 Washington Township students, as they go into their  
20 own high school. It's obvious the board just wanted  
21 to avoid a strike, regardless of the future impact.  
22 And I would like to challenge a  
23 statement, an earlier point that was made, was that  
24 health costs are uncontrollable. For a public  
25 official to say that a cost is uncontrollable is an

82

1 abdication of responsibility. You would control it  
2 by having employees pay more; pay more the cost of  
3 their premiums, pay more co-pays.  
4 Sadly, the ineffective cost control on  
5 the local level is the rule, rather than the  
6 exception. Even for seniors, you see benefits for



7 the really needs seniors; certainly, a worthy goal,  
8 who need the assistance to -- for their basic needs,  
9 for meals and prescriptions. But then you write the  
10 eligibility for extending the benefit to wealthy  
11 seniors. So then, in effect, my taxes go to support  
12 someone else's inheritance. You know, not really  
13 fair.

14 So one can argue that tax reform would  
15 adjust the mix, but have no effect on the total  
16 amount of taxes if you don't address spending. So  
17 why do it? And I would suggest there's three  
18 reasons why you would do it:

19 One is that it makes a tax system  
20 fair. Taxes are more related to ability to pay, and  
21 people don't get penalized or received a benefit  
22 based on where they live. And if you live in a town  
23 with less public schools or large commercial  
24 ratables, you pay less.

25 The second reason is a bit more

83

1 complicated; that is, by shifting the taxes to the  
2 state level and away from the local level, you may  
3 be able to reduce the need; and, therefore, the  
4 expense of local government. I refer to the cost of

5 maintaining all the school districts and  
6 municipalities. If you raise school taxes through  
7 state taxes, you can eliminate some school  
8 superintendents, we can set teachers' salaries and  
9 police salaries at the state level. And so the  
10 inefficiency and inadequacy of local contracts,  
11 where the union just plays off one town against the  
12 other, and where the school board is simply  
13 overmatched at the bargaining table. You know,  
14 think about it. Why should a teacher or a police  
15 officer in West Windsor or Lawrence, Ewing, or  
16 Trenton, why shouldn't they be on the same  
17 compensation system?  
18 Thirdly, by increasing the tax level  
19 on upper-middle, and upper-income residents; the  
20 assumption being that their income taxes would  
21 increase more than their property taxes would be  
22 lowered, you will get their attention, and focus the  
23 attention of this very influential group on the  
24 level of government spending, and this will be a  
25 very formidable advocate of reduced spending,

84

1 something that we have not seen, because these  
2 upper-income people have benefitted from the current

3 system.

4 I'd just like to conclude, I would

5 like to see a greater percentage of our revenue

6 raised by income taxes, greatly lower property

7 taxes; eliminate the wasteful, although politically

8 attractive property rebate checks that go out before

9 the election.

10 I would also like to see a wealth tax

11 be considered. You know, wealth taxes are called

12 "inheritance" or "death taxes." But why shouldn't a

13 wealth tax be a living tax? We're moving to

14 eliminate inheritance taxes, so a living tax -- a

15 living wealth tax should certainly be considered as

16 a component of a fair tax system. Thank you.

17 MR. VAN HORN: Thank you, sir.

18 Councilman Malone, and then Senator

19 Bob Allen -- Bob Martin, excuse me.

20 (Participants confer)

21 MR. VAN HORN: Councilman.

22 COUNCILMAN MALONE: Okay. Thank you.

23 Good evening, my name is Gino Malone, I'm the East

24 Ward Councilman (indiscernible), for the City of

25 Trenton. I would like to thank the members of this

1 task force for allowing me the opportunity to speak.  
2 I would like to thank you for your efforts to tackle  
3 one of the most troublesome problems in our city:  
4 Property taxes.  
5 Our current system is in need of  
6 reform. During the past five years alone, the  
7 property tax levy in our city has risen almost nine  
8 percent, while taxable net value of our properties  
9 has risen a mere two percent. During that same  
10 period, our municipal budget, although largely  
11 responsible, has increased seventeen percent.  
12 Statewide, the property tax levy  
13 almost doubled during the period of 1989, the last  
14 year of the Kean Administration, to 2003, under our  
15 current governor. This is clearly a bipartisan  
16 problem, one needing a bipartisan solution.  
17 For well over ten years, I have heard  
18 the concerns of our city's seniors, disabled, and  
19 residents a whole. Probably their biggest worry is  
20 that they may someday be taxed out of their own  
21 homes. They are frightened; and, quite frankly, I  
22 am frightened for them.  
23 How unfair is a regressive system that  
24 disproportionately taxes its most vulnerable  
25 citizens? How ineffective is a system that serves

1 as a disincentive to business investment? How  
2 counterproductive is a system that has, in part,  
3 served to reduce our commercial ratable base, which  
4 has contributed to the higher unemployment and crime  
5 rates we have seen in our city?  
6 Seeing any lack of true reform to  
7 correct the problems of our current system, I feel  
8 that a constitutional convention is the right way to  
9 go. We need true, responsible, and effective tax  
10 reform, and we need it now.  
11 With respect to the mechanics of the  
12 constitutional convention, I would ask that the task  
13 force consider including delegates who reside in the  
14 capitol city of Trenton and have a voice in the  
15 discussions. And with all due respect to our mayor  
16 and my fellow council members, I would ask that the  
17 city delegation not be elected officials; rather,  
18 the delegation should be representatives of our  
19 business community and our education community and,  
20 most important, our senior community. I look  
21 forward to seeing the report of the task force, and  
22 anticipate with great hope that we can advance in  
23 the cause of true tax reform.  
24 Also, this evening, for a point of  
25 record, I'd like to present a copy of a resolution

87

1 sponsored by the members of the city council,

2 adopted on June 1st, supporting the call for a

3 constitutional convention. Thank you.

4 MR. VAN HORN: (Inaudible - not

5 recorded) and following Senator Martin, Pastor

6 McCoombs (phonetic). Senator Martin, thank you for

7 joining us this evening.

8 SENATOR MARTIN: (Inaudible - not

9 recorded) very difficult task, but I do think it

10 could be potentially rewarding. I have in my other

11 capacity, besides being a state senator (inaudible -

12 not recorded) as many of you know, I'm a law

13 professor (inaudible - not recorded) teaching

14 courses in state constitutional (inaudible - not

15 recorded) education law and local government.

16 I don't claim to have any answers

17 (inaudible) but I have thought for some time about

18 the issues that you are confronted with. And, as

19 some of you know, I've also written an article some

20 years ago that suggested that one of the ways that

21 we could get through the legislative inaction is

22 through -- is by having a constitutional convention,

23 which at least the track record in New Jersey,

24 although we haven't had many, has what I've viewed

25 as the best potential for really radically changing

88

1 and restructuring the taxes and the problems that we  
2 have in this state.

3 Let me talk briefly about what I --

4 about the convention itself, the delegates, some  
5 safeguards, and some -- some issues.

6 We don't have initiative and

7 referendum, and I think, because of the current  
8 method that we have of changing the constitution,

9 which typically is by a constitutional amendment,  
10 one constitution at a time, a convention is much

11 preferable because it allows you to deal with

12 complicated issues; you can bring forward some

13 people with some extraordinary expertise, and the

14 fact that you can deal with multiple issues instead

15 of -- instead of having just one issue at a time.

16 I would think that you should strongly

17 consider, in devising some kind of design for this,

18 that you might think strongly about having an all-

19 in-one proposition, at both -- at two stages:

20 One, in terms of what the Legislature

21 will -- will consider, in terms of your approvals or

22 -- you can't -- you can't demand that of the

23 Legislature, but I think you could recommend that

24 they either adopt your series of proposals all as  
25 one. Because I'm very fearful, having served on the

89

1 Judiciary Committee and having looked at this issue,  
2 you will -- the Legislature will be picked apart, in  
3 terms of what it can do if you don't -- if your  
4 proposals aren't considered all as one.  
5 And, secondly, I would -- I think you  
6 should also recommend that there only be one  
7 proposal that's put forward, rather than the series  
8 of alternative choices, although that one I'm not as  
9 convinced about. But I think that we should try and  
10 structure something all together.  
11 With respect to delegates, I would --  
12 I would recommend to you that they certainly be  
13 nonpartisan; that, if you do allow elected officials  
14 to be candidates, that they would have to resign  
15 from their position at the time that the convention  
16 would meet.  
17 I think you should have a form of  
18 payment in a -- in a way that's not that much, but a  
19 public system of funding. And what I would suggest  
20 might be with non -- because they're nonpartisan,  
21 that the delegates would -- would be able to --



22 there would be a public mailing, where they could  
23 put forward their own information, much like  
24 sometimes shareholders, I've seen other like  
25 trustees who are running for college positions or

90

1 something like that, so that they could -- that they  
2 would be able to identify what their expertise, and  
3 what they plan to do at the convention.  
4 Thirdly, in terms of safeguards, I do  
5 think it's important that we make clear that Article  
6 I of the state's constitution, the declaration of  
7 rights, would not be an area that we would --  
8 especially with our due process and equal protection  
9 segments of our constitution, not be touched. And I  
10 think we do have to recognize, given the long and  
11 difficult history with Robinson and Abbot, we have  
12 some kind of provision that would protect the  
13 special needs kids.  
14 And I would draw a distinction from  
15 the court's Abbot formula, because I think what  
16 needs to be protected are special needs students,  
17 not necessarily special needs districts. Obviously,  
18 the special need -- thirty-one special need  
19 districts have the most special needs kids. But by

20 just protecting the thirty-one, I think you run the  
21 risk of still dealing with the wannabes and the very  
22 close and the -- and the districts that may no  
23 longer be eligible. So there are problems with  
24 that. But I do think we should recognize and  
25 provide protections for special needs students as a

91

1 safeguard.

2 Finally, I would ask you to put all of  
3 the spending and taxing issues on the table,  
4 especially with respect to taxes. There were some  
5 attempts to try to restrict, for example, statewide  
6 property taxes. I understand there are some  
7 political considerations that favor some areas over  
8 others.

9 But I, myself, when I looked at  
10 possible solutions to the property tax, I thought  
11 perhaps a graduated statewide property tax is at  
12 least a candidate for consideration, in terms of  
13 alternatives to the existing property tax. Look at  
14 certain personalty, as some states do; maybe people  
15 who have high-priced luxury cars or some other items  
16 could be -- that could be allowed to be considered  
17 by the convention.

18 And with respect to spending, I do  
19 think, as has been expressed by some other  
20 legislators, I don't know how you can not consider  
21 issues like caps, and to some degree at least, the  
22 educational aspect, as long as you have the  
23 safeguard of protecting kids.  
24 So those are my general thoughts. And  
25 I guess we're under heavy time constraints, so I

92

1 would leave it at that. And I wish you the best of  
2 luck.

3 MR. VAN HORN: If you'd like to share  
4 with the staff, we'd appreciate getting them.

5 SENATOR MARTIN: Thank you.

6 MR. VAN HORN: Thank you, sir.

7 (Applause)

8 Pastor McCoombs, and then Pasquale  
9 Maffai. Is Pastor McCoombs here? If Pastor  
10 McCoombs is not here, then we'll move forward.

11 Pasquale Maffai. Is Pasquale Maffai here? From  
12 Trenton? Okay. Well, we can come back if Mr.

13 Maffai returns. George Martch, M-a-r-t-c-h. Then

14 Marvin Reed.

15 Ladies and gentlemen on the task

16 force, we are within two or three of finishing, so

17 just so you know, or four.

18 (Participants confer - not recorded)

19 MR. VAN HORN: I am sure.

20 (Participants confer)

21 MR. VAN HORN: Mr. Martch. Welcome.

22 Thank you.

23 MR. MARTCH: Thank you. Good evening.

24 I, too, want to thank the Governor and the task

25 force for all the efforts you're putting into this

93

1 process.

2 My name is George Martch, I'm a West

3 Windsor resident. I had two children that happily

4 went through K through 12 at the public school

5 systems, and we're very glad, we have great

6 services.

7 I, tonight, can see a thread through

8 some of the other recommendations. I view (sic) the

9 constitution seems to have set the thorough and

10 efficient as the standard, the courts on occasion

11 have had to direct specific action where they felt

12 perhaps things were not going on track. And, of

13 course, the legislative function is normally to

14 devise the revenues to -- whether it be at local or  
15 state level.  
16 As I understand it, the property tax  
17 statewide, as a model, might have about sixty  
18 percent going to school taxes, about twelve percent  
19 to the associated municipal region, about twenty  
20 percent to the county, and perhaps eight percent for  
21 some other reasons. And that will vary, obviously.  
22 My suggestion to the group at this  
23 point, I think New Jersey has traditionally used the  
24 constitutional conventions to lay the foundation for  
25 broad public policy. The current property tax

94

1 system is overdue for restructuring to reduce the  
2 dependency of property tax to fund public education.  
3 I'll concentrate the rest of my  
4 remarks in public education, but I think a mini-  
5 model of what I'm about to do for education could be  
6 accomplished through the municipal phase, as well.  
7 The property tax task force should  
8 embrace a design of a convention, so that the  
9 convention would be able to produce and enable a  
10 commission to establish and maintain the following  
11 kinds of evaluations:

12 A thorough and efficient standard for  
13 education. A thorough and efficient education  
14 should have an associated standard to define the  
15 scope of the state's commitment to education K  
16 through 12, and to the higher centers of education.  
17 The New Jersey Department of Education should  
18 publish the prototype for K through 12 that meets  
19 thorough and efficient, and that New Jersey will  
20 allocate funds to support.  
21 A thorough and efficient prototype for  
22 delivery is needed. The property tax revenues need  
23 to fund the public education of growing to levels  
24 that need balance, restructuring is needed, but we  
25 need to do so through a model that is designed for

95

1 efficient service delivery, and that would include a  
2 model of a representative district, school boards,  
3 schools, both secondary and public.  
4 That is to say, it's hard to decide  
5 what is the appropriate level of spending for  
6 thorough and efficient, unless we have a model of  
7 what is an effective model for thorough and  
8 efficient. And I think a little bit more specific  
9 and detailed planning would identify where our --

10 where is the community staying within the bounds of  
11 reasonableness, and where does a community seem to  
12 be well out of the bounds of reasonableness.  
13 And, lastly, if there is such a  
14 prototype for the delivery, there be a cost model  
15 for that prototype; and, once there is a cost model,  
16 we would know what the costs are properly, whether  
17 it be in all of the categories that have been  
18 mentioned tonight through the education system; and,  
19 lastly, a revenue model for the funding of those  
20 costs.

21 Now I think that what we're about to  
22 do through all of these measures is to solve a  
23 problem that's been vexing New Jersey, but it won't  
24 go away. And we're going to need a sustaining  
25 process, I believe, to have, as long as our guiding

96

1 light is thorough and efficient education, we ought  
2 to have a sustaining process which defines it,  
3 decides how -- what is enough and when is it too  
4 much, what are the costs of the standard, and how  
5 would we fund it. And it's a maintenance problem  
6 we're going to be needing. Because as the economy  
7 and as the state grows, we'll need to address this

8 problem on a periodic basis. Thank you.

9 MR. VAN HORN: Okay. Thank you, sir.

10 Marvin Reed, and then Keith Jones.

11 (Participants confer)

12 MR. REED: Good evening, Mr. Chairman,

13 and members of the commission. I'm Marvin Reed, I

14 recently completed thirteen years as the Mayor of

15 Princeton Borough; and I certainly, as a municipal

16 official, spent a good many nights debating with my

17 colleagues and my constituents property taxes in New

18 Jersey. And even though I came from a district

19 where you might say many people had the ability to

20 pay, we had many who could not. And the very fact

21 that we used property taxes made it very difficult

22 for people, particularly retirees, to continue.

23 As I listen to the night's discussion,

24 I am not sure whether you're establishing a tax

25 convention, a constitutional convention, or a

97

1 substitute legislature. And I'm hopeful that when

2 you make your recommendations, you'll be very

3 precise as to which of the three things we're really

4 doing here.

5 Up until this point, I think most



6 people assume that what you're going to come up with  
7 is a system, a mechanism that will reduce  
8 residential property taxes in New Jersey. That  
9 would appear to mean that, if residential property  
10 taxes are reduced, somebody else's property taxes  
11 are going to be raised.  
12 And I'm sure that the voters would be  
13 very happy to delegate the responsibility to these  
14 delegates to reduce property taxes, but I don't know  
15 who they expect is going to vote to raise property  
16 taxes to take their place. And does that mean that  
17 the recommendations of this convention or whatever  
18 it is, is going to propose a constitutional  
19 amendment that the voters will vote on? Is it going  
20 to propose a series of referendums, like they did --  
21 do in California and other states, to go back, or  
22 does the whole thing go back to the Legislature?  
23 And I think you're going to have to define that.  
24 I think it's very important to define  
25 whether this process will include input. Once the

98

1 delegates are convened, will they be holding public  
2 hearings like yours? Will there be input coming to  
3 them, and a large degree of public participation in

4 the convention itself, or is all that supposed to

5 happen ahead of time?

6 I hope you'll define research and data

7 resources, and you'll define whether there's a staff

8 or some kind of service that will provide these

9 delegates with their data and information.

10 And, finally, what happens to what

11 would be the off-the-table recommendations? If

12 spending is not included in the agenda for this

13 convention, what happens to the thoughts about

14 spending? Do they get recommended back to the

15 Legislature, spending restraints, government

16 reorganizations, other statutory changes? Do they

17 come out of this process and then go back to the

18 Legislature? I trust you'll deal with all of those,

19 and you'll come out with a very good report and

20 recommendation. Thank you very much.

21 MR. VAN HORN: Thank you, sir.

22 Keith Jones.

23 MR. JONES: Mr. Chairman and members

24 of this task force, good evening. My name is Keith

25 M. Jones, I am the President of the New Jersey State

99

1 Conference of the NAACP Branches of New Jersey.

2 I begin my testimony by telling you  
3 that the New Jersey NAACP at its recent convention  
4 in Cherry Hill passed a resolution against the  
5 constitutional convention that is being proposed.  
6 This NAACP resolution of opposition was unanimous  
7 and passionate. The NAACP always wants the voice of  
8 the people to be heard, but we are apprehensive  
9 about what is motivating those people so adamant  
10 about revising our history and our future with this  
11 constitutional convention.  
12 The New Jersey NAACP's position  
13 against this constitutional convention reflects a  
14 strongly held belief in New Jersey's African-  
15 American community that the quest for equalized  
16 funding in public education is the way to ensure the  
17 highest standard for all of our state's students.  
18 We believe that, regardless of where families  
19 reside, all children, black and white, deserve the  
20 same educational opportunities.  
21 The New Jersey NAACP's feeling of  
22 disappointment, if not betrayal, regarding this  
23 property tax constitutional convention are unique.  
24 Let me explain.  
25 The constitutional convention, which

1 promises to relieve the property tax burden on New  
2 Jersey by reducing our financial commitment to  
3 public education, is being proposed during the  
4 fiftieth anniversary of the commemoration of Brown  
5 v. Board of Education. In 1954, the NAACP won this  
6 landmark Supreme Court decision, which not only  
7 outlawed racial segregation in public education, but  
8 it entrenched in the fabric of American society the  
9 concept of equality in education. The victory of  
10 Brown and the equity ethic that it created also tore  
11 down barriers throughout the public sector for  
12 women, and all cultural and ethnic groups.  
13 And Brown commemorations throughout  
14 the United States, the New Jersey NAACP has been so  
15 very proud to discuss not just the legacy of Brown,  
16 but the future of Abbot v. Burke -- Abbot v. Burke,  
17 that New Jersey has been the role model in this  
18 nation's quest for equal opportunity in education.  
19 Abbot is perhaps the oldest and  
20 clearly the most successful school funding equity  
21 mandate in the country. The implementation of Abbot  
22 speaks to the reliable social consciousness of the  
23 great State of New Jersey.  
24 Now I see that I'm running out of time  
25 -- time, so let me try to bring to closure by saying

101

1 that, as a veteran administrator in New Jersey's  
2 criminal justice system, I ask you to see the wisdom  
3 of paying for the hopelessness of education. We pay  
4 now or we pay later. We pay for a thorough and  
5 efficient education, or we pay for a thoroughly  
6 depressing and sporadically efficient prison system.  
7 The choice is ours. We pay now or we pay later.  
8 There is enormous political temptation  
9 in catering to the demands of those who would see  
10 our state government retreat from its commitment to  
11 provide what the State Supreme Court has ruled in  
12 upholding the thorough and efficient requirement in  
13 public education. The resourcefulness (sic) and  
14 diligent legislators of this great state must find  
15 another solution to this problem of high property  
16 taxes. We cannot breach the contract that we have  
17 had with generations of New Jersey school children,  
18 guaranteeing them a thorough and efficient  
19 education. Therefore, the New Jersey NAACP could  
20 not support any property tax constitutional  
21 convention that did not make the thorough and  
22 efficient clause non-negotiable.  
23 In closing, I remind this panel that  
24 these hearings have all been scheduled away from  
25 urban centers of our state. Further, majority

102

1 membership of this panel reflects a white, suburban  
2 interest and focus.

3 I do have a full text of my remarks, I  
4 will present them for your review, and we will be in  
5 communication.

6 MR. VAN HORN: Thank you. I welcome  
7 that.

8 MR. JONES: Thank you.

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

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

11 MR. VAN HORN: -- Mr. Maffai will be  
12 our last witness for this evening.

13 MR. MAFFAI: (Inaudible - not  
14 recorded). My name is Pasquale Maffai, M-a-f-f-a-i,  
15 and I appreciate this opportunity to speak before  
16 the task force group this evening.  
17 In reading the invitation I received  
18 from the Governor's Office, I note that the purpose  
19 of this convention is to provide the opportunity to  
20 overhaul and reform New Jersey's tax system. So I'm  
21 wondering about some of the remarks I've heard  
22 presented by other speakers.

23 A good number of presenters did  
24 highlight the importance of good education and their

25 own personal experiences. And I, myself, must say

103

1 that a good education, I believe, has made a  
2 difference in my life and in my happiness in what I  
3 do.

4 So I was quite dismayed when I heard  
5 remarks regarding dismantling the public school  
6 system or evaluating the school systems of New  
7 Jersey. I do not think it's the function of the  
8 task force to evaluate any of the departments or  
9 services of the government, but rather to focus on  
10 the task assigned by the governor to overhaul New  
11 Jersey's tax system. The function of evaluation  
12 should be assigned to other groups in other  
13 settings.

14 And, therefore, I would like to  
15 suggest my own recommendation, which is that careful  
16 consideration be given to the educational program in  
17 all the school districts, so that there will be  
18 adequate funding to our quality education. Thank  
19 you.

20 MR. VAN HORN: Thank you, sir.

21 (Applause)

22 MR. VAN HORN: I want to thank the --

23 all the members of the audience and those who  
24 testified for coming out this evening, we very much  
25 appreciate your input and your patience and your

104

1 civility. And we will be moving forward.  
2 As I said, you can check our progress  
3 by going to the website, where all the material that  
4 we are receiving will be made available as much as  
5 possible, and of course any of the reports that we  
6 issue will be eventually issued that way. Again, if  
7 you want to submit written testimony to us, we'd be  
8 happy to receive it.  
9 And, ladies and gentlemen, unless  
10 there's any other business, I would adjourn this  
11 evening, and we'll reconvene on October 19th at the  
12 Blackwood Campus of Camden County College at two  
13 o'clock.  
14 (Proceedings adjourned)

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105

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

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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 6, 2004, is a true and accurate

7 non-compressed transcript of the proceedings to the

8 best of my knowledge and ability.

9

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12 Coleen Rand

13 For Guy Renzi & Associates

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