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state of new jersey

Acting Governor Richard J. Codey



**PROPERTY TAX CONVENTION TASK FORCE**



- > [property tax home](#)
- > [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

2

3 NEW JERSEY PROPERTY :  
TRANSCRIPT4 TAX CONVENTION TASK FORCE : OF  
HEARING

5 -----

6 Date: October 4, 2004

7

TRANSCRIPT ORDERED BY:

8

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

11

PANEL PARTICIPANTS:

12

SENATOR JOHN H. ADLER

13 MICHAEL R. COLE, VICE CHAIRMAN  
IDA CASTRO14 SUSAN A. COLE  
TERRENCE MALLOY15 SENATOR LEONARD LANCE  
ASSEMBLYMAN KEVIN O'TOOLE

16 MAYOR GARY J. PASSANANTE

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

17 MAYOR JO-ANNE B. SCHUBERT  
CY THANNIKARY18 CARL E. VAN HORN, Ph.D., CHAIRMAN  
SENATOR RICHARD VAN WAGNER, SR.

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21

22

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1 (Tape 1. Side A)

2 MR. VAN HORN: -- steps in the process

3 before the constitutional convention would actually

4 be convened, if it was approved by the voters, and

5 then deliberate.

6 I am going to ask just quickly for the

7 members of the task force to identify themselves, so

8 you know who's here today. Several members are not

9 able to be with us today because of other matters,

10 other business. But, of course, they will be

11 receiving the recorded comments and any commentary

12 that is made at this meeting today.

13 Let me begin with Dr. Susan Cole,

14 further to my left.

15 MS. COLE: (Not recorded.)

16 SENATOR VAN WAGNER: Richard Van --

17 Richard Van Wagner, retired.

18 MAYOR PASSANANTE: Gary Passanante,

19 the Mayor of the Borough of Somerdale, and Executive

20 Board Member for the New Jersey League of

21 Municipalities.

22 MR. THANNIKARY: Cy Thannikary,  
23 Chairman, Citizens for Property Tax Reform, which is  
24 a nonpartisan organization. They're committed to  
25 reform the New Jersey property tax system.

3

1 MR. MALLOY: Terrence Mallow, Business  
2 Administrator, Chief Financial Officer, City of  
3 Bayonne.  
4 MAYOR SCHUBERT: Jo-Anne Schubert,  
5 Mayor of the Borough of South Bound Brook, and  
6 President of the New Jersey State League of  
7 Municipalities.

8 MR. COLE: Michael Cole, I'm an  
9 attorney.

10 MS. CASTRO: Ida Castro, attorney and  
11 professor at CUNY School of Law.

12 ASSEMBLYMAN O'TOOLE: (Not properly  
13 recorded) Kevin O'Toole, State Legislator, District  
14 40, Passaic, Essex, and Bergen County.

15 MR. REOCK: Ernest Reock, retired from  
16 the faculty of Rutgers University.

17 MR. VAN HORN: Okay. Thank you very  
18 much. We have sent out a notice to witnesses, asked  
19 you to sign up. In that notice, we indicated

20 testimony should be limited to five minutes.

21 However, given the very strong turnout here today,

22 in order to stay within our time constraints, we're

23 asking you to limit your comments to three minutes,

24 by consensus of the task force.

25 Mr. Tom Johnson, who is sitting there

4

1 at the table, who is an employee of the Department

2 of Transportation, will be providing you some

3 notice, so he can -- he can help you keep track of

4 your time.

5 I want to emphasize, however, as I

6 said before, you are certainly very welcome to leave

7 material with -- on the desk back there for the task

8 force, or to send it to us, or if you e-mail it to

9 us. So please do not feel that this is your only

10 opportunity to communicate with us.

11 When your name is called, please go

12 straight to the table up here; and, before you start

13 your testimony, just state your name and the name of

14 any group you represent, if you do represent a

15 group. And we look forward to hearing from you.

16 I'm going to begin with the first

17 person who signed up, and that is Pat Walsh

18 (phonetic). Pat Walsh, are you here?

19 The next person, just so you can get

20 ready, is Belinda Wilson.

21 Welcome, Mr. Walsh.

22 MR. WALSH: (Not recorded.)

23 MR. VAN HORN: So that's a witness and

24 a half, actually.

25 MR. WALSH: (Not properly recorded) My

5

1 name is Pat Walsh, this is Lily.

2 MR. VAN HORN: Hi, Lily.

3 MR. WALSH: I started a website about

4 nine months ago called "Wake Up" (insufficient

5 audio). Okay. Sorry.

6 Is this better?

7 MR. VAN HORN: Yes, you have to speak

8 into the mike, Mr. Walsh.

9 MR. WALSH: Thank you.

10 I started a website about nine months

11 ago called "wakeupnj.com," and it was specifically

12 to deal with this issue, as I know that you all are

13 doing quite a bit about it, also. But just anything

14 I can do to help. I commend you for getting the

15 citizens input on this, I think it's the best way to

16 start.

17 I've done a lot of research and talked

18 to hundreds of people about this, regular citizens,

19 and I'm going to -- I've written an article, but

20 it's -- I'm not finished with it yet, but I'm going

21 to read you an excerpt from it. And I think it kind

22 of just basically sums it up, how I feel about this.

23 Property taxes have been on the rise

24 in New Jersey for some time now. Often it seems as

25 if there's no real end in sight. It appears that

6

1 our tax structure is largely to blame. Many states

2 have had the same problem that we're having:

3 Soaring property taxes that diminish our economy and

4 quality of life.

5 Most have put a cap of about one

6 percent to one and a quarter percent on taxes. A

7 lot of you probably have heard of that, say for a

8 home that's valued at about \$400,000; taxes for the

9 year would be about \$4,000. The states are making -

10 - are offsetting the decrease in revenue by cutting

11 state programs, raising sales and income taxes, or

12 other ability-to-pay taxes. This tax structure

13 promotes their economies and a better quality of

14 life for everyone. Here's why:

15 Property taxes are a flat-fee charge

16 that each homeowner is required to pay every year,

17 in order to own a home. For most people, the yearly

18 charge is broken up into twelve monthly payments

19 included in their mortgage. This flat-fee charge

20 has been continuing to grow for many years, making

21 it difficult to purchase a home or sustain home

22 ownership, like a lot of retired people are having

23 that problem.

24 It is like having a large credit card

25 bill that never goes away; it just keeps getting

7

1 bigger. As property taxes increase, we are

2 increasing the amount of money that a homeowner must

3 come up with each month in order to maintain that

4 ownership. Basically, what they're required to come

5 up with each month to keep them ahead. Property

6 taxes adds to that, and it adds to stress and

7 everything else. Sales and income taxes do not.

8 Managing your finances is all about

9 limiting your mandatory monthly expenses, and

10 increasing your net worth by putting money away each

11 month. High property taxes puts you in debt from

12 the start. It is hard enough to get ahead without  
13 our tax structure holding us back, too. That's what  
14 property taxes do, they hold society back.  
15 How many of us have thought about  
16 adding on to our homes, just to decide that it's not  
17 worth it because, if you do, you know the tax man  
18 will be standing at your door with a tax bill that  
19 will knock your socks off? Once again, the tax  
20 structure is holding us back, not to mention what  
21 property taxes do to retired people. They run them  
22 into the ground, literally.  
23 Thank you very much for your time. I  
24 appreciate it.  
25 MR. VAN HORN: Thank you, Mr. Walsh,

8

1 and thank you, Lily.  
2 Belinda Wilson is next, and following  
3 Belinda is -- and, again, if I mangle some of these  
4 pronunciations, I apologize, because I'm reading off  
5 this, and I can't necessarily read them all. But  
6 the next person after Belinda Wilson is J.P. Tristan  
7 (phonetic), if I've got that correct. So Belinda  
8 Wilson, where -- we look forward to hearing from  
9 you.



10 MS. WILSON: My name is Belinda  
11 Wilson, I live in South Orange.  
12 (Ms. Wilson confers)  
13 MS. WILSON: My name is Belinda  
14 Wilson, I live in South Orange. I was a participant  
15 in the September 2003 and the June 2004 tax  
16 assemblies, and was a moderator for one of the  
17 regional ones about two years ago. I am also part  
18 of a grassroots organization in Maplewood and South  
19 Orange known as the Education Funding Committee, and  
20 I speak to you from both these perspectives today.  
21 My experience at the assemblies  
22 impressed me with the focus and energy and  
23 reasonableness that fellow participants approach  
24 their discussions, and they know in any tax  
25 conversation, there are going to be winners and

9

1 losers with our current tax system, and that there  
2 will be winners and losers with any new tax system  
3 we adopt. But everyone saw the need that we must do  
4 something.  
5 I would address this committee under a  
6 large heading of "do no harm." When we design the  
7 constitutional convention, equity is a big theme.

8 And I know that this task force won't define what  
9 "equity" means, but that should be a charge of the  
10 convention. And there should be some test at the  
11 end when they come up with their recommendation as  
12 to if their plan will be equitable to everyone in  
13 New Jersey; not equal, but equitable.  
14 The thorough and efficient clause for  
15 education should be off limits in the scope. This  
16 state is, and will still be responsible for  
17 educating children. The problems with education  
18 funding come from the education funding formula, how  
19 it's devised in the Department of Education, how  
20 it's been held up for two years based on budgetary  
21 problems, and kind of the will of the Governor, and  
22 I think that should be on the table, how we do the  
23 education funding formula.  
24 Secondly, spending should not be  
25 included. The problem with spending is that any

10

1 arbitrary thing like caps and that type of thing is  
2 just not flexible enough to manage in the long term.  
3 And it also hurts people who already have an unequal  
4 situation from the beginning.  
5 It also will jeopardize any chance of

6 the state coming together in consensus on a  
7 recommendation from the convention. The more we put  
8 in there, the more people are going to find things  
9 to object to.

10 As far as the delegates go, the Star  
11 Ledger had a quote that, "The selection of delegates  
12 should be statesmen versus politicians," and I agree  
13 with that statement.

14 Also, I think -- and with all due  
15 respect to the people on this committee who fit in  
16 this category -- the current legislators, for  
17 reasons either of the various pressures are on you  
18 or not, have not come together to change the system  
19 in New Jersey. And even though they say it needs  
20 changing and it's their responsibility, this has not  
21 happened, so something different must.

22 Therefore, I think we should have the  
23 constitution, and that delegates should not be  
24 sitting state representatives. Ones -- past ones  
25 are fine, county, city, municipal, school board is

11

1 fine, but no sitting representatives.

2 I also believe that access for people

3 to become a delegate should be broad. Limited

4 spending on campaigns is a must, and no donations or  
5 fund raising should come from the political parties  
6 of the state, including the top individual and  
7 company donors to those parties.

8 And then you as a task force have a  
9 difficult task to manage: Perceptions and  
10 expectations of what can come from something like a  
11 constitutional convention. And I ask you in your  
12 recommendation to not only say how a convention  
13 should be designed, but exactly what things would  
14 doom it to failure, so that we've wasted another two  
15 to three years. Thank you.

16 MR. VAN HORN: Thank you, Ms. Wilson.

17 (Applause)

18 MR. VAN HORN: Mr. J.P. Tristan,  
19 followed by George Fosdick, If I've got that  
20 correct. J.P. Tristan. Thank you.

21 MR. TRISTAN: Thank you very much.

22 And I have no prepared commentary to make. Can you  
23 hear me back there? Swell.

24 First of all, a negative comment. I'm  
25 a little bit concerned about facing so many

12

1 educators. In the State of New Jersey, the property

2 tax is slated seventy percent towards education, of  
3 which about eighty percent goes to administration.  
4 That doesn't mean that the higher priced teacher is  
5 going to give the best quality education, and that's  
6 something that has to be changed.  
7 What I would hope for is that your  
8 keynote is fairness; fairness in examining  
9 everything. There are no sacred cows. Thorough and  
10 efficient is not a sacred cow. Thorough and  
11 efficient was mandated by the courts, and now you  
12 even have to start examining the fact that, does  
13 extracurricular activity fall under thorough and  
14 efficient, or should the user be responsible for  
15 paying for that thorough and efficient education.  
16 It's no longer a freebie that I, making many letters  
17 in football, baseball, and wrestling in my youth,  
18 can expect that my parents have to pay that through  
19 taxes any longer.  
20 I would expect to see an examination  
21 of the income tax. I would expect to see an  
22 examination of the corporate tax. Are these people  
23 paying their fair share? I would expect to see you  
24 examine the towns such as Saddle River, high-priced  
25 places, homes, but low taxes because there's no

1 existing school system; they can afford to pay to  
2 send their children over to other schools, which  
3 have to absorb that infrastructure.  
4 I would certainly expect you to pay  
5 much attention to the senior citizen of New Jersey,  
6 who is now being condemned because of the sins of  
7 longevity in life; longevity in life, longevity of  
8 their home. It is an unfair burden to drive those  
9 people out on the pretext that, sort of like a  
10 chicken in every pot, every home, for instance, in  
11 the town of Ramsey, should have a schoolchild in it;  
12 and you, after living in your home for thirty or  
13 forty years, should be content to disappear with  
14 your wealth that has been presented by the income  
15 increase or the value increase of your home, and go  
16 down to Lake Wannafunna (sic) or God's Waiting Room,  
17 Florida, and be content with that. That concludes  
18 my remarks.

19 MR. VAN HORN: Thank you, sir.

20 (Applause)

21 MR. VAN HORN: I would -- George  
22 Fosdick, followed by John Bavazanno (phonetic).  
23 I just want to observe and welcome  
24 Sherryl Gordon and Senator Adler, who just came in  
25 the room, and they are members of the task force, as

14

1 well.

2 Mr. Fosdick. And, again, if you

3 represent anyone, please let us know.

4 MR. FOSDICK: My name is George

5 Fosdick. I'm the Mayor of the Village of Ridgefield

6 Park here in Bergen County.

7 AUDIENCE PARTICIPANTS: We can't hear

8 you. Can't hear you.

9 MR. VAN HORN: You have to speak into

10 the microphone.

11 MR. FOSDICK: If I get closer to the

12 microphone, it's going to be in my mouth.

13 MR. VAN HORN: Well --

14 MR. FOSDICK: Okay?

15 MR. VAN HORN: That's better, yeah.

16 Thank you.

17 MR. FOSDICK: My name is George

18 Fosdick, I'm the Mayor of the Village of Ridgefield

19 Park here in New Jersey. My understanding is that

20 the purpose of this meeting is to discuss the

21 mechanics for a possible constitutional convention,

22 and not the issue itself. So I address some of the

23 mechanics, perhaps skirting on some of the issues.

24 First, I believe we have to have a

25 constitutional convention because it's fairly

15

1 obvious that the state, in whatever forum, has  
2 failed to deal with the problem in the past. So I  
3 endorse the idea of a constitutional convention.  
4 I also believe that, in order to  
5 address what's driving all of this, and that is the  
6 high cost of property taxes, such a convention must  
7 have the ability to look at what drives those taxes,  
8 and that is spending. To have a convention that  
9 addresses just taxes and doesn't deal with the issue  
10 of what causes taxes, to me, doesn't make any sense.  
11 You have to look at what we're spending it on, and  
12 how we might be able to do that better.  
13 I believe that the representation at  
14 the convention should be essentially nonpartisan,  
15 made up of both elected representatives, as well as  
16 appointed representatives; appointed in a fashion  
17 perhaps the same as this committee.  
18 I think that the convention has to  
19 consider if property taxes are to continue in some  
20 form, the problem of the equalization of assessments  
21 across the state. This is another major problem for  
22 many communities.  
23 Also, for an older community such as  
24 ours, the Village of Ridgefield Park, where we lack



25 the ability to continue to develop new ratables,

16

1 another problem that needs to be addressed is, where

2 we have a taxpaying ratable, and a tax-exempt

3 organization comes into town that may be very worth

4 in its purposes, but we lose that ratable. That has

5 an effect on our ability to govern.

6 I believe that the convention should

7 have time limits, that this should not be something

8 to go on forever.

9 And, again, I would ask for

10 consideration particularly for older communities

11 such as ours, and there are many in this state,

12 where the ability to develop new ratables is

13 limited, and we rely upon an existing tax base.

14 This means to me, as I said in the beginning, that

15 such a convention, in addition to addressing the

16 issue of taxes, must look at spending. Spending is

17 what's driving all of this.

18 With respect to policy and format, I

19 hope that the public will have an opportunity to

20 address those at such a convention. Thank you very

21 much.

22 MR. VAN HORN: Thank you, Mayor.

23 (Applause)

24 MR. VAN HORN: Mr. Bavazanno, John

25 Bavazanno, followed by Irene Sterling after Mr.

17

1 Bavazanno. Mr. Bavazanno.

2 MR. BAVAZANNO: Good afternoon,

3 everyone. My thanks to you, all of you, for being

4 here to allow us to speak to you.

5 I'm a -- my name is John Bavazanno, I

6 live in West Caldwell, New Jersey. I'm a World War

7 II veteran, I'm eighty-four years old. I used to,

8 when I lived in Totowa and owned my own home, got my

9 veterans' tax rebate deduction for forty years. Now

10 I live in a continuing care retirement center, and I

11 represent all the veterans that are in continuing

12 care retirement centers.

13 There are two bills now before the

14 Legislature, one in the Senate; one in the Assembly.

15 You guys are doing nothing with it. And I am very

16 upset. I've had political rhetoric up to here, I'm

17 drowning in it.

18 Who is against the veteran, anyone

19 here? Then why doesn't this get passed?

20 Republicans are for it, Democrats are for it; it

21 doesn't get passed. Robert Codey is my senator in  
22 the 27th District. I probably live in his office,  
23 trying to get this thing moving, and it doesn't get  
24 done.

25 In July of 2001, when Governor

18

1 DiFrancesco was Governor, there appeared in the Star  
2 Ledger a photo of him and Assemblyman Azzolino  
3 (phonetic) of Monmouth County, where they extended  
4 this property tax rebate to all the veterans of the  
5 Gulf War. I wrote to them, both of them, and  
6 thanked them, that they did that, and if they would  
7 consider allowing veterans who lived in continuing  
8 care retirement centers to be receiving their  
9 rebate, also. Until today, I have received no  
10 answer from either one of them.  
11 I've written to Governor McGreevey  
12 several times, I get a form letter back, see your  
13 assemblyman and your senator. That isn't a good  
14 answer to me. I spoke to his dad several times, he  
15 has an office in Senator Vitale's office (phonetic)  
16 in Monmouth County, I spoke to him many times. Then  
17 I said, do I have the gall enough to ask him that,  
18 if I write a letter to the Governor, if he would

19 hand it to him. He says, I'll do better than that  
20 for you, I will give it to the secretary who gives  
21 him the mail personally. Until today, I have yet to  
22 receive an answer to that letter.  
23 There's enough blame here to go around  
24 to both Republicans and Democrats. And shame on  
25 both their houses. This is a bill that should be

19

1 done.  
2 I'm going to now, when I get home, in  
3 the next week or so, go to my Senator Codey's office  
4 and ask him that, when he becomes Governor, that he  
5 call a special session of the Legislature. They may  
6 throw me out on my you-know-what, but I'm still  
7 going to ask. And it can be done, it should be  
8 done, and it must be done.  
9 Why can't a veteran get his just  
10 property tax rebate? When I moved in to a  
11 continuing care retirement center in 1998, I went to  
12 my town and applied for it; they turned me down  
13 because I did not own the property. Lutheran Social  
14 Ministries owns the property that I live in, they  
15 pay the taxes to the city. I give Lutheran Social  
16 Ministries my share of the real estate taxes. Am I

17 a different veteran?

18 The State of New Jersey recognizes

19 veterans to get their household rebate. I got mine

20 some months ago for \$1,250. But I can't get the

21 lousy \$250 for a veteran. I probably lose more than

22 \$250 a year just taking my bills and change out of

23 my pocket.

24 The money isn't what is the question.

25 The point is, what is right is right; what is wrong

20

1 is wrong. Veterans should get their property tax

2 rebate no matter where they live. I'm recognized by

3 the State of New Jersey, the same state, for my

4 household rebate, but the same state doesn't

5 recognize me as a veteran to get my veterans'

6 property tax deduction. That is wrong.

7 You here are legislators. Please take

8 it back with you to your assembly, to your senate,

9 and tell them this is the right thing to do. I

10 thank you, sir.

11 MR. VAN HORN: Thank you very much.

12 (Applause)

13 MR. VAN HORN: Irene Sterling. Irene

14 Sterling, followed by Joseph Inserra (phonetic).

15 MS. STERLING: Good afternoon. My  
16 name is Irene Sterling, I'm Executive Director of  
17 the Paterson Education Fund, a citizen of Paterson,  
18 and a taxpayer in Paterson, New Jersey.  
19 Citizens in Paterson are very  
20 concerned that the task force move forward carefully  
21 in considering the fulfillment of its charge. Too  
22 many people, both in the general public and in  
23 political office, indulge in political wishful  
24 thinking when they address the property tax issue.  
25 Taxation exists so that citizens can

21

1 bear their rightful share of needed civil  
2 infrastructure. Self-governance has costs attached,  
3 and it is wishful thinking that we can both reduce  
4 taxes and have high-quality civic institutions.  
5 Public schools are a civic institution  
6 that both support our community health and serve as  
7 indicators of our community health, and any action  
8 by this task force to undermine New Jersey's public  
9 schools will ultimately undermine New Jersey's civil  
10 health. And you have only to look at California to  
11 see the dire consequences of that.  
12 Citizens of Paterson tax themselves at

13 a very high rate for their schools. That taxation  
14 effort results in \$36 million annually, which is the  
15 cost of our two comprehensive high schools. If the  
16 citizens of Paterson were reduced to supporting only  
17 the schools that its taxation could afford, we would  
18 have to close our small high schools, every  
19 elementary school, and reduce the service to our  
20 preschools to a very small level. If the State of  
21 New Jersey is not willing to help the citizens of  
22 Paterson, we would have to put 20,000 children on  
23 the street. Is that acceptable to our community in  
24 New Jersey? That, I do not believe, is the kind of  
25 people that we are.

22

1 I think that you can solve the tax  
2 convention issue very simply and cheaply. Designate  
3 that our elected legislators are the delegates,  
4 designate the first Monday in February as the  
5 convention day, and then lock them in the statehouse  
6 until they do this job. Their job is to create  
7 policy for the civil well being of New Jersey, and  
8 they must get past wishful thinking and demonizing  
9 in order to get there. Thank you very much.  
10 MR. VAN HORN: Thank you.

11 (Applause)

12 MR. VAN HORN: Joseph Inserra, and

13 then Mary Nash (phonetic), following Mr. Inserra.

14 MR. INSERRA: I'm Joseph Inserra, and

15 thank you for the opportunity to speak before this

16 task force.

17 I'm a member of the New Jersey

18 Coalition for Property Tax Reform, and the reason

19 I'm such a member is that I felt that taxes in New

20 Jersey are inequitable and unfair. We happen to

21 think, many of us, that a more equitable tax would

22 be a progressive tax on income for those who can

23 afford it; in other words, a sliding scale.

24 And, with that, I want to move into

25 the main object of this hearing, and that is, what

23

1 should the constitutional convention consist of and

2 how it should be run. I have some ideas on that.

3 And the idea is that I feel that citizens,

4 educators, and former representatives of the local

5 communities should be on the tax -- not on the task

6 force, but on the convention committee.

7 Because we gave the New Jersey

8 Legislators plenty of time to change taxes and make



9 them equitable. All they did was pass rebates,  
10 which are considered a Band-Aid. They haven't  
11 solved the problem. The taxes still keep climbing  
12 over and above what the annual rate of increase of  
13 most people's income is.  
14 So we want to keep them out of it  
15 because -- by the way, there are bills in the  
16 Legislature that will help to correct the problem,  
17 but they don't touch them. They consider this, I  
18 heard, the third rail of politics; taxes, so they  
19 don't want to get involved in it. So I want to keep  
20 them away from it until the convention committee  
21 passes certain rules as to what they want.  
22 The Constitution of New Jersey gives  
23 the State of New Jersey the responsibility for  
24 education, and what they have done over the years is  
25 pass it on to the local community, and that's the

24

1 reason property taxes are hurting, because the local  
2 community can only raise money from local taxes.  
3 So, therefore, it becomes inequitable because it's  
4 based on an increasing value of a home, which does  
5 not equate to the increase in their salaries or  
6 their income when they retire.

7 So I leave that -- I leave you with  
8 those points, and I think that we should have an  
9 opportunity to be part of this convention as  
10 delegates.  
11 And another thing is, maybe the  
12 committee can do something about keeping politics  
13 out of the election of the delegates, and also  
14 perhaps providing some money to citizens and people  
15 in the municipalities to be represented on it, not  
16 to give them a pay, but to give them their expenses.  
17 And those are my suggestions.  
18 MR. VAN HORN: Thank you.  
19 MR. INSERRA: Thank you very much.  
20 MR. VAN HORN: Thank you, sir.  
21 (Applause)  
22 MR. VAN HORN: Mary Nash, followed by,  
23 I believe it's Michelle Linnart (sic), I'm having  
24 trouble, from Ridgewood, New Jersey. I may have  
25 that wrong, I apologize. Mary Nash.

25

1 MS. NASH: (Not properly recorded) My  
2 name is Mary Nash, I live in Harrington Park here in  
3 Bergen County. I've been concerned with state  
4 taxes, students, and school funding for about the

5 last forty years.

6 I would ask that the first question

7 this task force consider is whether a constitutional

8 convention is really necessary. I agree, some

9 changes should be made to readjust New Jersey's tax

10 system, to take advantage of our resources and

11 provide property tax relief to those who need it

12 most. However, the legislators we elect to carry

13 out the responsibilities of the state can do this

14 without altering the constitution.

15 Most of the revenue from property

16 taxes goes for schools; consequently, any change in

17 property taxes will reflect in support for schools.

18 Despite the good intentions of those making tax

19 changes, unexpected results often occur. If the

20 changes are made with -- by statute, then

21 corrections and adjustments if they are needed can

22 be made much easier than if the changes are in the

23 constitution.

24 One has to only remember California,

25 where -- an extreme example there, where thirty,

26

1 forty years ago they reduced their property taxes by

2 changing their constitution; and, consequently,

3 ruined what had been considered some of the best  
4 schools in the country. I'm sure they have made  
5 progress since then, but I still have not heard  
6 anyone pointing them out as examples that they used  
7 to have (sic).

8 Education is a state responsibility,  
9 but New Jersey has been dependent too much on local  
10 property taxes and not enough on state income tax.  
11 I'm sure you're well aware that there are a number  
12 of groups in the state already working on this  
13 problem, trying to attack the problem. And I'm sure  
14 any of them or all of them would be very happy to  
15 work with legislators to solve it.

16 All of this could be done without  
17 incurring the expense of -- and the time concern of  
18 a constitutional convention. Why should we waste  
19 limited state funds for an unnecessary  
20 constitutional convention?

21 As it now stands, New Jersey's  
22 Constitution is looked on as one of the best in the  
23 nation, and it has served us well. It's not broken,  
24 don't fix it. But if, despite all of this, it's  
25 decided that a constitutional convention is

27

1 absolutely necessary, its scope must be limited

2 strictly to taxes.

3 Article XIII, Section 4, Paragraph 1,

4 that protects the right of every child in New Jersey

5 to a thorough and efficient education must not be

6 changed. I thank you.

7 MR. VAN HORN: Thank you, Ms. Nash.

8 Thank you.

9 (Applause)

10 MR. VAN HORN: Michelle Linnart. Do I

11 have that correct? I may have mangled that. Well -

12 -

13 (Participants Confer)

14 MR. VAN HORN: Okay. Lumbard

15 (phonetic). Perhaps it's Lumbard. Ms. Lumbard or

16 Mr. Lumbard from Ridgewood. I never thought I'd

17 meet someone whose handwriting was worse than mine,

18 but I think I may have done that.

19 All right. Well, Helen Lindsay

20 (phonetic) -- Lindsay, from Ridgewood, New Jersey.

21 Helen? And then after Helen, we have John Gibbons,

22 after Helen.

23 MS. LINDSAY: I'm Helen Lindsay, and

24 for the past forty-six years, I have lived in

25 Ridgewood, where my children have gone through the

1 school system, and had an excellent education.

2 Although my children are now well finished in the

3 system, I still vote for our budget, so that the

4 community can provide continuing excellent

5 education. I only wish that all children in the

6 state could receive the same opportunity.

7 We have made a start with this by

8 helping the urban districts, but there are still

9 many districts in the state, between the wealthy and

10 very poor ones, that are under great strain to

11 provide an adequate education.

12 As much as anyone, I would like to see

13 property tax relief, but I think a property tax

14 constitutional convention is filled with pitfalls.

15 The issues are complex.

16 For example, we do -- do we limit the

17 property tax rate, or do we limit local spending.

18 If we limit rates, the impact on different

19 communities is different, falling more heavily on

20 cities with municipal overburden or schools with a

21 lot of children in relation to the property wealth.

22 If we limit spending, we jeopardize the progress

23 we've made in the Abbot Districts, and for many

24 schools and municipalities all over the state, it

25 will mean juggling their budgets as much as they can

29

1 and doing without.

2 Most people seem to want services --

3 the services that state and local governments

4 provide. If we limit property taxes, where does the

5 payment for services come from? What happens to

6 other taxes to make up for the loss in property

7 taxes. These and many other considerations go into

8 changing the tax structure.

9 Amendments to the constitution, I

10 think, are not the appropriate place for changing

11 the property tax system, nor is it -- nor is going

12 to the public to vote on such complex issues a good

13 way of doing it. As the bill who established the

14 task fork states:

15 "The people have the right to alter or

16 reform the constitution."

17 But it does not, therefore, follow

18 that the people must ultimately decide how the

19 property tax system should be structured by amending

20 the constitution. I think we should leave that to

21 the Legislature, as much as they have reneged on it

22 to date. You might direct them in that -- direct

23 them to do so.

24 A constitutional convention will not

25 do the job; in fact, it will be counterproductive,

30

1 as other states have found out. California

2 struggled for decades after Proposition 13. The

3 State of Maine is having a popular vote on tax this

4 year. If passed, districts will probably have to

5 cut the number of teachers and increase the size of

6 the classes, and some schools will probably be

7 closed.

8 We may think we want restrictions, but

9 once they're in the constitution, and we find how

10 limiting they are, it is very hard to change. That

11 is why, in the 1970s, when we established tax, we

12 did that legislatively, rather than through an

13 amendment to the constitution.

14 If, however, a constitutional

15 convention does convene, we should especially stay

16 away from amendments that threaten the quality of

17 education throughout the state, including any change

18 in the thorough and efficient clause and limits on

19 spending. We expect our children to be offered the

20 best; let's not limit their possibilities. Thank

21 you.

22 MR. VAN HORN: Thank you very much.

23 (Applause)



24 MR. VAN HORN: John Gibbons, and then

25 Jonathan Hodges (phonetic) following Mr. Gibbons.

31

1 MR. GIBBONS: Yes. Hello, my name is

2 John Gibbons, I live in Harrington Park. I am in

3 favor of the convention task force. I'm paying high

4 taxes, I've been for a long time. I lived in my

5 town for thirty-one years, and I don't want to have

6 to be forced to move out because of the taxes.

7 There are a lot of things that could be done.

8 Regionalization of services throughout

9 the town. Right now, I think it's up before

10 election -- well, for the Town of Westport, and I

11 think Emerson have regionalized in their police

12 department. Things like municipal services, where

13 there are some small towns like my town, Harrington

14 Park, which could regionalize with some bigger towns

15 with municipal services, as well as in the

16 administration in the school districts. Their

17 salaries are exorbitant, and we're paying the price

18 of them.

19 Another thing which I think is

20 important, which would help down the road, if they

21 would tie in the school election with the general

22 election; this way, people could -- the seniors  
23 would get more input going into the -- coming in to  
24 vote. This way, they would vote on these bills and  
25 -- if they really were concerned about these bills

32

1 would raise their taxes, they could have a chance to  
2 vote.

3 Another thing I think which would be

4 good would be to -- for the builders to have to pay

5 a surcharge or pay some sort of a luxury tax when

6 they build into the community, because then new

7 homes generate children, and more into the school

8 system, which costs more money. And maybe if they

9 were to bill where there would be some housing for

10 like the senior housing, maybe they could get

11 credits or get like incentives to build senior

12 housing, things like that.

13 That's about all I have to say.

14 Otherwise, one other thing, I do believe that if we

15 could establish some sort of a property tax based on

16 people's income, but mind you, like to places like

17 Paterson which don't generate a lot of income, then

18 the state would provide the additional assistance

19 for those communities. But if you -- based on a

20 person's income, it might help those people, those  
21 seniors who live in communities, who are being  
22 forced out because of high taxes. Thank you very  
23 much.

24 MR. VAN HORN: Thank you, Mr. Gibbons.

25 (Applause)

33

1 MR. VAN HORN: Jonathan -- Jonathan

2 Hodges from Paterson, followed by Claudia Monteiff

3 (sic), I believe that is, from Ramsey. Mr. Hodges.

4 DR. HODGES: Good afternoon. I'm Dr.

5 Jonathan Hodges. Good afternoon. I'm Dr. Jonathan

6 Hodges. I will attempt to speak loudly, because my

7 (inaudible).

8 I am President of the Paterson Board

9 of Education. We in Paterson have been laboring

10 under the unfortunate results of bad legislation

11 involving education and money for the past thirteen

12 years; you've all read about it. During that time,

13 our test scores have plummeted, and only now begun

14 to rise. Our school construction program is in

15 disarray, \$50 million in taxpayers' money have

16 possibly been misappropriated. Our children's

17 educational needs continue to be unmet.

18 Legislation to fix all of this, state  
19 takeover, in many respects has been the situation --  
20 made the situation worse with the reintroduction of  
21 nepotism, worsening cronyism (sic), state  
22 interference and control over a local process that  
23 stifles effective oversight, all because they rushed  
24 in with good intentions. Their goal was to hastily  
25 address an educational problem. Now you are here,

34

1 assembled to develop another process which purports  
2 to alleviate significant tax issues, which again may  
3 impact on the educational outcomes in my community  
4 and others, as well.  
5 Paterson, as a city, pays high taxes,  
6 given the incomes and businesses we have, so we  
7 understand the concern. But we also have tasted all  
8 too well the bitter fruit of unintended  
9 consequences. Attempts to address problems in one  
10 area, high taxes, may lead to serious problems in  
11 others. Worsened educational outcomes would result  
12 in crime, drug use, urban blight, and social decay.  
13 All these costs will come back to you, as well as be  
14 borne inescapably by all of us. We are not, after  
15 all isolated islands, but we are interconnected and

16 a delicately balanced web.  
17 The Legislature has the power to  
18 address this tax issue. Their failure to do so is  
19 the problem, not the state's constitution. The  
20 appropriate attention should be applied there, make  
21 them more responsive to our needs. But I suspect  
22 that that won't happen because this seems easier,  
23 and the rush to changes outpaces our true  
24 understanding of what may result.  
25 Given that, I must insist that any

35

1 process developed to create a delicate body that  
2 goes beyond the shortsighted boundary of politics,  
3 and samples a significant cross-section of the  
4 communities that will be affected.  
5 Additionally, a study must be made of  
6 the potential educational impact of resultant  
7 constitutional changes and their attendant costs to  
8 the taxpayers.  
9 And lastly, and most importantly, a  
10 process must be developed to make every community in  
11 New Jersey aware of the true implications of this  
12 constitutional process, and to facilitate the  
13 necessary discussions in those communities,

14 necessary to create an informed consensus. Anything

15 short of that will, once again, shortchange this

16 city -- the state's citizens, and possibly produce

17 more bitter fruit of unintended consequences.

18 Please, leave the thorough and efficient clause

19 alone. Thank you very much.

20 MR. VAN HORN: Thank you, sir.

21 (Applause)

22 MR. VAN HORN: Claudia Monteith

23 (phonetic) and then Robert Rackus (sic) from West

24 Orange. So Claudia Monteith from Ramsey.

25 MS. MONTEITH: Good afternoon. My

36

1 name is Claudia Monteith, I'm the Vice President of

2 the Board of Education in Ramsey. I also represent

3 a group called Dollars and Sense (sic), which is a

4 consortium of the Ramsey, Ridgewood, and Demarest

5 Boards of Education. I would like to thank you for

6 the opportunity for speaking this afternoon, and I

7 would also like to thank you now for taking on the

8 herculean task that you have been mandated to handle

9 by the Legislature.

10 From reading your website, I

11 understand that this is a very high-power committee

12 with great background, and I think you can do  
13 wonderful things. However, I think you have a  
14 herculean task, where it seems as though you've been  
15 asked to create almost a secondary universe; a  
16 universe that needs to be made because the members  
17 of the primary universe have been reluctant to take  
18 those steps which they need to do to help reduce  
19 property taxes in the State of New Jersey.  
20 My group Dollars and Sense is  
21 dedicated to lowering property taxes in the State of  
22 New Jersey, while at the same time keeping the high  
23 quality of public education in New Jersey at the  
24 level where it currently stands. It is very  
25 important to all of us in the state that property

37

1 tax relief does not come on the back of quality  
2 education.  
3 Not only am I a member of the board of  
4 ed. and Dollars and Sense, I am also a chemist that  
5 works for a small biotechnology company that is very  
6 close, here in Hawthorne, which gives me the  
7 opportunity to speak to you today. It's very  
8 difficult for many members of the populous to come  
9 on an afternoon meeting, so I think you should keep

10 in mind that there may be many people who want to  
11 speak to you who cannot come during the day.  
12 I would also like to say that I agree  
13 with some of the people that have said, I'm not  
14 really sure that a constitutional convention is what  
15 we need to do. We do need to have property tax  
16 relief, but changing statutes may be the better way.  
17 I have very high regard for the state constitution  
18 of New Jersey, and I'm reluctant to change it at a  
19 time when I think our legislatures -- our  
20 legislators could probably take the bull by the  
21 horns and make some very important decisions they've  
22 been reluctant to so far take.  
23 Your committee, as I stated, has some  
24 very high-power people on it with extensive  
25 backgrounds in many important areas. The one area I

38

1 think you may want to add to your committee is  
2 someone that has actually built a school budget from  
3 the ground up, things such as our group has done.  
4 When we have done that, we have  
5 identified specific cost drivers that make our  
6 budgets high.  
7 (End of Tape No. 1, Side A)



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

9 MS. MONTEITH: -- spending now, but we

10 need to change some of statutes in order to do that.

11 We will be having a meeting next

12 Wednesday night in Paramus; I have fliers about it.

13 I urge all of you to join us. And our group is

14 intending to educate, not put the shoulder on

15 anybody or try and impress -- try and force people

16 to do things, but to educate our legislatures --

17 legislators, who have all been invited, and also our

18 taxpayers, so we can understand how we can go to cut

19 costs now. So I'd like you to attend, or contact

20 us; we will be happy to help educate anyone that

21 needs to know how we can save money.

22 I want to point out very specifically

23 to you, public education is the backbone of

24 democracy. As you move ahead in your area to have

25 your constitutional convention, whichever way it may

39

1 take, please move carefully. Public education, as I

2 said, is the backbone of democracy, and we must

3 tread very carefully. Thank you.

4 MR. VAN HORN: Thank you.

5 MS. MONTEITH: And I hope to see you

6 all next Wednesday night at Paramus High School.

7 MR. VAN HORN: Thank you, Ms.

8 Monteith.

9 (Applause)

10 MR. VAN HORN: Robert Rackus, you'll

11 perhaps correct my pronunciation, and then Carlo

12 DeSantis, Carlo DeSantis following. Robert. How do

13 you pronounce your last name?

14 MR. RASHKES: Rashkes, R-a-s-h-k-e-s.

15 MR. VAN HORN: Rashkes, sorry. Okay.

16 From West Orange.

17 MR. RASHKES: Yes. Thank you very

18 much. I'm in favor of a constitutional convention,

19 since the Legislature has failed to act on the issue

20 of reforming our property taxes. People are

21 suffering, property taxes have increased eight, ten

22 percent a year; over the last two years, my property

23 taxes have gone up over \$800.

24 There are good proposals out there,

25 the New Jersey Coalition for Property Tax Reform had

40

1 promoted the Smart Bill, save money and reform taxes

2 bill, that was introduced in the Assembly, but has

3 not been passed. And on [reformschooltaxes.com](http://reformschooltaxes.com),

4 there's a whole description of it, but it doesn't  
5 change the way that taxes are assessed. I mean, we  
6 still have the same budget process, but the tax  
7 burden would be redistributed to people who can  
8 afford to pay it; therefore, keeping those who can't  
9 afford right now, who are moving out of their homes,  
10 to be able to stay in their homes and be involved in  
11 the community. Thank you.

12 MR. VAN HORN: Thank you very much.

13 (Applause)

14 MR. VAN HORN: Carlo DeSantis, and  
15 then Clifford Biehl (sic), I believe, is from Lake  
16 Hopatcong. Yes. Thank you. Sorry. Carlos (sic)  
17 DeSantis.

18 MR. DE SANTIS: Good afternoon, my  
19 name is Carlo DeSantis, I live in Leonia, New  
20 Jersey. Thank you for the opportunity to speak  
21 here. Rather -- I'm still active in business, and  
22 I'd like to read to you an essay which I composed,  
23 which is self-explanatory, which vents my  
24 frustration in my everyday life as a businessman,  
25 and in about three minutes from now, I'll probably

41

1 be the most unpopular guy in New Jersey. And I have

2 a copy for everybody here, I made some extra copies,

3 if you like, please.

4 MR. VAN HORN: Give it to Mr. Johnson.

5 Thank you.

6 MR. DE SANTIS: Thank you. Here is my

7 essay:

8 Good citizens must pay taxes. We have

9 a serious problem. People are too willing to avoid

10 paying taxes. The problem is not with the tax laws,

11 but with the people who cheat. I know it is not

12 possible to advocate that we should pay more tax in

13 taxes, but it is necessary. Maybe it's because I am

14 an immigrant, and I appreciate how much I owe this

15 country.

16 I came this country (sic) as a child,

17 became a naturalized citizen, and worked hard.

18 Today, I live the American dream with my own home

19 and business. I am grateful for the opportunity I

20 was given, and I know it's my responsibility to give

21 back something to my community and my country. I

22 served in Vietnam because I was willing to die for

23 my country. Compared with military services, paying

24 fair share of taxes is a small price to pay to be a

25 good citizen.

1 We depend on taxes for schools,  
2 infrastructure, security, and so on. The more  
3 people cheat, the less money the government has for  
4 the service that help everyone. All around, I see  
5 and hear people -- about people that think that it's  
6 okay to avoid paying any sales taxes.

7 There is a typical example. Last  
8 year, our pool broke. Since it was the end of the  
9 summer, I asked the contractor for a discount, since  
10 it was no longer his busy season. He replied, pay  
11 cash, I won't charge you sales tax. That's not a  
12 discount; it's tax fraud.

13 Don't get me wrong. I love cash. I'm  
14 in the autobody shop business, and it makes my life  
15 easier when people pay cash; no bounced checks, no  
16 credit cards commission. Unfortunately, too many of  
17 my customers think they shouldn't be charged sales  
18 tax for cash payments. I have been asked to break  
19 the law by plenty of respectable, basically honest  
20 people: The eighty-year-old retiree, the  
21 hardworking family man, the wealthy entrepreneurs.

22 They all think evading taxes is a sport. Rich or  
23 poor, no matter what ethnicity, no matter what line  
24 of work a person does, most people think a cash  
25 transaction ought to involve sales tax invasion --

43

1 evasion, please.

2 I don't think it's right for anyone to

3 avoid paying sales tax, and I am especially upset

4 that people expect me to go along with them. My

5 commitment to being an honest citizen has cost me

6 some business. Most of my competitors don't mind

7 ignoring the sales tax. Fortunately, I'm a good

8 mechanic, and the smart customers value my honesty

9 as a mechanic.

10 Another common way that people cheat

11 is getting paid off the books. Lots of employers do

12 it, and most of their employees like it that way. I

13 interviewed job applicants who told me that all of -

14 - told me that -- they told me all half of the

15 salary at the previous job was off the books. They

16 were always shocked when I told them I didn't do

17 things that way.

18 Everyone knows that the -- taxation is

19 full of fraud. The perception is everyone cheats,

20 so everyone feels it's okay. People rarely get

21 caught because the government tax agencies are so

22 inefficient. I once got a notice that I was being

23 audited. Naturally, I was nervous, even though I

24 knew I didn't cheat on my taxes, and I had good

25 records. I shouldn't have worried. The audit was a

44

1 joke. The guy didn't even try to look for any  
2 hidden income.  
3 Every state and federal tax agency  
4 should get its act together. If the government  
5 would take action to find tax evaders and get them  
6 to pay, we'd all be better off. We need a new  
7 government agency that will supervise the system or  
8 safeguard to cut down on cheating.  
9 For example, no one should be allowed  
10 to sell anything without a special invoice,  
11 numbered, and registered with the government.  
12 Politicians don't like to talk about cutting down on  
13 fraud because it costs them votes, but we need  
14 leaders who will inspire people to do the right  
15 thing and pay all of their sales and income tax.  
16 We live in a wonderful country with  
17 lots of freedom. It's one of the things to bend  
18 rules, but we have no right to break them. The  
19 U.S.A. deserves better than that.  
20 (Applause)  
21 MR. VAN HORN: Thank you, sir.  
22 MR. DE SANTIS: Thank you.  
23 MR. VAN HORN: Clifford Bebe  
24 (phonetic), if I got that right. Bebe.

25 MR. BEBE: (Inaudible.)

45

1 MR. VAN HORN: Yup. Followed by Marie

2 Hakim (phonetic), or Hakim.

3 MR. VAN HORN: Yes, sir. Welcome.

4 MR. BEBE: (Not adequately recorded)

5 (Inaudible) be here, and have the opportunity to

6 address you, and I hope that in some respect I will

7 represent other senior citizens like myself.

8 AUDIENCE PARTICIPANTS: (Inaudible.)

9 MR. BEBE: Sorry. Is that better?

10 MR. VAN HORN: Yes, sir. Yeah, that's

11 better.

12 MR. BEBE: What I want to bring up is

13 one thing with property taxes, where I don't think

14 they're right at all. Property taxes are a

15 confiscatory money-making scheme. Why are they

16 confiscatory? Because if you have a piece of real

17 estate, and they keep raising the taxes and your

18 salary or your monies do not go up with them, you

19 could be taxed off your land. And that was one

20 thing we were promised when our forefathers put

21 America together, that nobody would be taxed off

22 their land. In fact, if you study English history,



23 you'll see how the kings taxed the people off their  
24 land, and had the serfs work for them in the end.  
25 It shouldn't be that way.

46

1 The other grievance is one thing when  
2 it comes to school taxes. I believe that senior  
3 citizens should not pay school taxes. They paid all  
4 their lives to put their children through and carry  
5 the system. When you retire, you do not have  
6 children in school, and you should not pay.  
7 We live in a democratic republic, not  
8 communism, not socialism, and I like to see it work  
9 that way. If people are there, let them pay for  
10 their schools.  
11 And we do have money, I thought,  
12 coming out of these lottery programs. There's an  
13 awful lot of money that's unaccounted for that was  
14 going into education. And no one has ever come up  
15 with a solution to that problem or a complete  
16 investigation. And I think that, if we look for  
17 these things and have a constitutional amendment, it  
18 would be good for the people.  
19 Because what also happens in America,  
20 unfortunately, they call it "inflation." We don't

21 have inflation; we have devaluation of the dollar.  
22 You're being robbed when you sit in this room. They  
23 took the gold, the silver, everything behind our  
24 dollar. We sit here with wallpaper in our pockets,  
25 hoping that it will work.

47

1 These things aren't right. We didn't  
2 fight for this country to see the politicians milk  
3 the system. We didn't sit this way under the  
4 original setup of taxes, believe it or not.  
5 Corporations were to pay most of it because, when  
6 people bought the goods, they would pay the taxes to  
7 the state to run it. That's how they originally  
8 thought.  
9 Because when they set up -- we used to  
10 have one-hundred-acre farms, and each farmer paid  
11 \$10 a year taxes. What was formed and started then  
12 has been changed by manipulation of legislation and  
13 politicians.  
14 I think we should look back on some of  
15 the history and correct things and put the burden  
16 where it belongs, and take the stress off those  
17 people who cannot afford to pay, which could be  
18 anybody, regardless of what group they're in.

19 And one example today where you get  
20 that two-hundred-and-fifty-thousand-dollar allowance  
21 if you have a home and a wife, maybe 500,000, what  
22 people do today, they turn around, they sell their  
23 home, and when they move into a bigger home with  
24 that money, they don't care what it costs, they're  
25 willing to put the difference up, and they have so

48

1 much money a month that they can pay for a mortgage,  
2 and they move in. So we're not getting a true  
3 influx and a true realization of the value of real  
4 estate.

5 Because everybody sitting in this room  
6 may not be qualified to value -- what the value --  
7 real value of property is. And God help us, those  
8 real estate people are out to get all they can get,  
9 because the more money they get, the more profit  
10 they make. Everything is geared to go up, up, up.  
11 We have no stability, and I think we need stability.  
12 And I hope that I've given you a few  
13 thoughts to think about while you do this big task.  
14 And I know it's a hard task. Just like President  
15 Bush said, these are hard times. It's hard work.  
16 And I thank you very much.

17 MR. VAN HORN: Thank you, sir.

18 (Applause)

19 MR. VAN HORN: Marie Hakim. Is that

20 right? Hakim? Followed by Joe Harvanik (phonetic).

21 Harvanik, I think is right.

22 MS. HAKIM: Good afternoon.

23 MR. VAN HORN: Ms. Hakim.

24 MS. HAKIM: Good afternoon. Can

25 everyone hear me? Thank you. My name is Marie

49

1 Hakim, I'm a homeowner and business property owner

2 in Clifton, New Jersey. I'm a member and former

3 president of the Clifton Board of Education. I'm

4 the Passaic County School Boards Association Vice

5 President and a member of the New Jersey School

6 Boards Association Legislative Committee. I'm also

7 an adjunct at William Paterson University.

8 The property tax constitutional

9 convention might be an opportunity to overhaul New

10 Jersey's tax system. But will it really put the

11 power in the hands of the people, or is it just

12 smoke and mirrors to remove the responsibility for

13 tax reform from our elected officials, who, to this

14 date, have failed to address true property tax

15 reform? The over-reliance of property taxes to fund  
16 public education must be addressed and must be  
17 changed.  
18 Senator Nia Gill (phonetic) of the  
19 34th Legislative District introduced a bill to have  
20 the legislators convene to discuss real tax reform.  
21 This has been stalled and has had little legislative  
22 support. So why should legislators be on this task  
23 force? When does education and the public education  
24 community have the opportunity to frame the  
25 discussion to remove the funding of education from

50

1 property taxation, or at least to reduce the over-  
2 reliance to fund education through property taxes?  
3 July 1st, the Governor signed a bill,  
4 17-01, one of three companion bills. These  
5 companion bills gave short-term property tax  
6 rebates. In the long run, these three companion  
7 bills will only increase property taxes for every  
8 homeowner in the state.  
9 So, please, include the education  
10 community and exclude our legislators. They've done  
11 nothing to date. Thank you.  
12 MR. VAN HORN: Thank you.

13 (Applause)

14 MR. VAN HORN: I'd just like to

15 welcome Senator Lance, Leonard Lance, to the

16 meeting. And he has been delayed along with some of

17 our other colleagues in Trenton.

18 Joe Harvanik, followed by -- pardon

19 me?

20 MR. HARVANIK: (Inaudible.)

21 MR. VAN HORN: Pardon me?

22 MR. HARVANIK: (Inaudible.)

23 MR. VAN HORN: No comment. Okay.

24 Then -- I like that one. Michael --

25 okay. Yes, Michael.

51

1 AUDIENCE PARTICIPANTS: (Inaudible.)

2 MR. VAN HORN: I don't think that

3 would be fair to the people that signed up.

4 Michael Brinsey (sic). Is that right?

5 Do I have that right?

6 MR. BRINSEY: (Inaudible.)

7 MR. VAN HORN: And then -- and then we

8 would go with Diane Abarella (phonetic), if I've got

9 that correctly. And anyone who does have to leave,

10 let me just remind you -- and, again, I -- it's

11 unfortunate if you have to leave, but you can leave  
12 your comments or send comments to us subsequently.  
13 Michael.  
14 MR. BRINSEY: Excuse my -- excuse my  
15 back, folks. I'm Michael Brinsey, Hillsdale. I'm  
16 Vice President of the Bergen County Senior Corps  
17 Navy Council. I'm also Chairman of the Partnership  
18 for Property Tax Reform. We have been together  
19 about eight years, and we have made every attempt to  
20 educate the Legislature on the need for property tax  
21 reform to reduce and ease our high, regressive  
22 property taxes.  
23 My first comment is, right now,  
24 gentlemen, ladies, we don't need a constitutional  
25 convention. I'm appalled at this late stage in my

52

1 life that the Legislature has not executed their  
2 authority that they took an oath in office to uphold  
3 the Constitution of the United -- or New Jersey to  
4 execute the duties that we have given to them. We  
5 have voted them in, with the sole purpose of doing  
6 our bidding for us.  
7 Now the high property -- regressive  
8 property taxes have been with us since 1958, and

9 it's getting worse every year. Now in order to get  
10 -- and our -- and for the past eight years, what we  
11 have been striving for is a property tax reform, a  
12 permanent solution to the property tax reform; not a  
13 Band-Aid where we get these reliefs that have to be  
14 voted on every year by the legislators.  
15 A property tax -- and in that -- along  
16 that line, what we're thinking about is an alternate  
17 school funding to remove the school taxes from the  
18 property taxes, and fund the schools based on our  
19 ability to pay, with a surcharge on your income tax  
20 that you pay in April. This way, it will be a  
21 permanent solution to it. The legislators will not  
22 have to come out and vote for this on a yearly  
23 basis. This will be permanent from now to doomsday.  
24 And without that -- and since a  
25 constitutional convention is under consideration,

53

1 before any resolution or any goal is anticipated for  
2 the -- a solution or -- to the constitutional  
3 convention, I suggest very strongly that the  
4 sentence or the aim of the constitutional convention  
5 should be the alternate school funding, based on  
6 their ability to pay. Get that wording in right



7 now. Regardless of how expensive it is, with the  
8 educated legislators you got, and the professors and  
9 everything else. They're going to throw a lot of  
10 figures on you. And without this one sentence in  
11 there to remove the property taxes and based on the  
12 ability to pay. If you start with those things on  
13 the convention, I think your success will be very  
14 gratifying. Thank you.

15 MR. VAN HORN: Thank you, sir. Thank  
16 you.

17 (Applause)

18 MR. VAN HORN: Diane Abarella,  
19 followed by Michael Colbasell (phonetic), if I have  
20 that right. But Diane Abarella. Is Diane still  
21 here? Okay. Michael Colpasell (sic) from Fair  
22 Lawn. All right. Chris Allyn from -- Chris Allyn,  
23 A-I-I-y-n. Chris? Mr. Allyn? Okay.

24 MR. ALLYN: Thank you for this  
25 opportunity. Thank you for this opportunity to

54

1 testify. My name is Chris Allyn, and I'm speaking  
2 on behalf of myself. I live in Morris County.  
3 I participated in the Citizens Tax  
4 Assembly in September of 2003, and again in June of

5 2004. I'm on my local environmental commission and  
6 serve on the Board of Trustees of ANJEC, the  
7 Association of New Jersey Environmental Commissions.  
8 My experiences, both at the Citizens  
9 Tax Assembly and as a member of ANJEC have  
10 demonstrated to me that there's a serious structural  
11 problem in New Jersey in the way that we raise tax  
12 revenue for the full range of government activities;  
13 state, county, and local. We rely far too much on  
14 local property taxes, compared to the national  
15 average. This imbalance has serious implications  
16 for the quality of development decisions in our  
17 state, as well as fundamental problems of fairness  
18 in distribution of the tax burden.  
19 The level of pressure on local  
20 officials to fund their activities from in-  
21 municipality ratables is unusually high in New  
22 Jersey. This leads to development decisions focused  
23 on local advantage, and fosters competition among  
24 neighbors, in sighting and realizing tax revenues.  
25 I believe this effect is responsible in large

55

1 measure for New Jersey's reputation as the sprawl  
2 capital of the United States.

3 Second, the property tax is  
4 demonstrably regressive. Since we rely on a  
5 regressive mechanism for more of our revenue than  
6 most other states, our overall tax burden is more  
7 regressive and less fair than it should be.  
8 Finally, although not caused by over-  
9 reliance on property tax itself, another trend is  
10 important in the present situation. We are becoming  
11 significantly more regional than in the past.  
12 Witness dramatic increases in traffic congestion and  
13 the rise of superstores, to name just two examples.  
14 This trend to regionality must be  
15 balanced by appropriate changes in the way we govern  
16 ourselves. Very few of us live only in one  
17 municipality. We must confront this fact by  
18 shifting some authority and power from local to more  
19 regional institutions, along with the associated  
20 resources.  
21 I have to say that this conclusion  
22 troubles me a great deal. I have very little  
23 confidence in county and state government to  
24 effectively carry out these responsibilities, yet  
25 feel it is imperative that they do so. I think this

1 is -- that this also argues for action at the state  
2 constitutional convention level.  
3 Now, as for what should be keeping you  
4 up at night: The makeup and scope of the  
5 constitutional convention. My experience at the  
6 Citizens Tax Assembly suggests a group of about a  
7 hundred is about the right size. I believe it  
8 should be made up of both elected and appointed  
9 representatives; elected representation is  
10 important, but some appointed slots should also --  
11 would also promote a level of expertise and respect  
12 that would strengthen the convention's credibility.  
13 On the question of scope, I believe  
14 the convention should be tasked with specific  
15 questions, for which it should develop separate  
16 proposals for voter acceptance. These questions  
17 should be very few in number. I believe the primary  
18 question for such a convention should be: What is  
19 the proper balance of tax revenue sources for the  
20 aggregate of state, county, and local government  
21 use?  
22 Finally, if a convention is allowed to  
23 address other items and chooses to do so, it should  
24 clearly define the questions addressed and the  
25 proposals developed, and these should be separately

1 presented for voter approval. It is my opinion that  
2 the significance and complexity of the revenue  
3 question is more than enough to solve in a single  
4 convention, so I would advise against a broader  
5 mandate. Thank you.

6 MR. VAN HORN: Thank you, Mr. Allyn.

7 (Applause)

8 MR. VAN HORN: The next person, and  
9 I'm just guessing at the name, is Gloria Levinson,  
10 United Homeowners. Is that close?

11 MS. LEVINSON: (Inaudible.)

12 MR. VAN HORN: Okay. And then Mr.

13 Mendez from East Orange, or Ms. Mendez, I can't --

14 MS. LEVINSON: (Not adequately

15 recorded) My name is Nina Levinson.

16 MR. VAN HORN: Oh, sorry.

17 MS. LEVINSON: And I'm of Fort Lee,

18 and the United Homeowners of Fort Lee.

19 MR. VAN HORN: Okay.

20 MS. LEVINSON: I would like to see a

21 number of things that are done, and the most

22 important one is to give the power back to the

23 people.

24 We now can vote on one budget only,

25 and that's the school budget. Others have

58

1 represented things, so that we take even that vote  
2 away from us. Because if the state pays for our  
3 schools instead of the town, then we can't even vote  
4 on the school budget. I would like to see that we  
5 can vote on a number of budgets: The town budget,  
6 as well as the school budget.

7 I also want to be able to vote on  
8 major capital outlays and bonding. My town is  
9 bonding us out of existence. And I'd like to be  
10 able to vote on 10 million, 20 million, 30 million  
11 bond issues. I don't think it's fair that they can  
12 just go ahead and do it.

13 I also would like to be able to vote  
14 on major bond issues for the state. I think the  
15 power should go back to the people.  
16 I have a couple of other comments that  
17 I'd like to make in addition to this. We have state  
18 pay -- state mandate, state pay. The state  
19 mandates; the state don't pay.

20 (Applause and laughter)

21 MS. LEVINSON: The new ratables,  
22 especially if they are rental units, do not pay for  
23 themselves; we subsidize them, because rental units  
24 are not assessed in the same way as are private  
25 units: Co-ops, condos, and private homes. The

59

1 rental units are assessed on income. So they don't

2 pay their fair share. I'd like to see equity on

3 that.

4 Refunds by the state -- don't

5 misunderstand me, I love the checks I get. But

6 these refunds cost us hundreds of millions in

7 administration fees, bureaucracy. Why should we

8 have to pay for all of this when, instead of the

9 refund? The same thing could be done by an

10 accountant or by ourselves, if we do our taxes. And

11 you deduct it right at the source, no expense to the

12 state. We would save a bundle. So --

13 (Applause)

14 MS. LEVINSON: Don't add to our

15 bureaucracy, and more and more offices that have to

16 be -- where we pay for it.

17 Any legislation that we have -- and we

18 have some already; apparently, there are three

19 bills, and I'm only acquainted with two of them.

20 But spending should be curbed. Right now, the

21 spending is curbed for the schools. It is also

22 partially curbed for the towns.

23 However, the cap bank, which most

24 people are not familiar with, you go for a cap

25 waiver, and have a cap that's too big, you can bank

60

1 what's left over for next year and the year after.

2 And like this, you roll it over, and our town has

3 succeeded in getting a seven percent increase this

4 year instead of the mandated five percent, with the

5 cap increase, and that's because of the cap bank.

6 Something should be done about it.

7 I would want to -- again, to just

8 reiterate. I would like to be able to vote on my

9 municipal budget; I would like to vote on bond

10 issues, especially major bond issues, maybe not if

11 they're \$200,000 or something, but I would like to

12 be able to vote on all of this. Thank you very

13 much.

14 MR. VAN HORN: Thank you. Thank you

15 very much.

16 (Applause)

17 MR. VAN HORN: Mabel Mendez. Is that

18 right? And then Sophie Heman (sic) -- or Hyman

19 (sic).

20 MS. MENDEZ: My name is Mabel Mendez,

21 I live in East Orange, the highest taxes going. And



22 I feel that, since I believe that the mayor and the  
23 councilmen should get paid according to how many  
24 hours they spend in city hall.  
25 (Laughter and applause)

61

1 MS. MENDEZ: Now if they work part  
2 time, get part-time wages. And I don't believe they  
3 work full time because, when I was working, I worked  
4 part time, I got part-time wages. So I believe they  
5 should get part-time wages.  
6 And another thing. As far as them  
7 voting theirself (sic) wages -- I mean raises, I'm  
8 sorry. I think it's up to us to give them a raise;  
9 we're their employers.  
10 (Applause)

11 MS. MENDEZ: Not them. They're the  
12 ones that's telling us that we're going to tax you  
13 because we got to have to eat. Hey, I buy bread  
14 just like they do, my bread costs just as much as  
15 theirs. I'm a senior citizen, and I have -- I'm on  
16 a fixed income. So I feel that their raises should  
17 be capped. As soon as they get elected, the next  
18 thing on the issue is a raise. And I think it  
19 should be stopped. Thank you.

20 MR. VAN HORN: Thank you very much.

21 (Applause)

22 MR. VAN HORN: Sophie Heyman

23 (phonetic). Is that right?

24 COUNCILWOMAN HEYMAN: Heyman.

25 MR. VAN HORN: Heyman. Followed by

62

1 Sally Dudley (phonetic).

2 COUNCILWOMAN HEYMAN: Good afternoon.

3 I'm Sophie Heyman and I am a three-term councilwoman

4 in Closter. And in that capacity, I am in my fourth

5 year as the finance chair for the borough. I think

6 that I am closer to the effects of the present

7 taxation system than probably anyone else in this

8 room. And, by the way, I'm a volunteer; we get no

9 salary.

10 While I agree with the previous

11 speakers who were concerned about the pitfalls of a

12 constitutional convention, pragmatically our

13 Legislature over the last twenty-odd years has shown

14 zero appetite for changing the tax structure in the

15 state. And so, therefore, I recommend a

16 constitutional convention; a constitutional

17 convention that will focus on funding the state and

18 avoid, in terms of the constitution, dealing with  
19 spending.  
20 What should the content be? It should  
21 discuss the various ramifications of all taxes,  
22 combinations of formulas, to arrive at a simple  
23 constitutional amendment that will not be abused and  
24 will be a guideline for the statutes that will have  
25 to follow that constitutional amendment.

63

1 What should the mechanics be of your  
2 committee? I would recommend a large assembly, with  
3 a committee system structure that can study and make  
4 recommendations to the larger body. Because, as we  
5 all know, we're dealing with a very complex issue.  
6 And that committee will have the opportunity, as  
7 some previous speakers stated, to do a really good  
8 public education job, so that the citizens of New  
9 Jersey understand how taxes affect their lives.  
10 And in that vein, I just want to touch  
11 on two little things that have not been brought up  
12 before. Two Supreme Court decisions have had a  
13 major effect on our property tax:  
14 One, the Abbot decision, which  
15 interprets thorough and efficient, has been, I

16 think, abused and not properly interpreted. I would  
17 recommend that the Legislature, thought its  
18 executive -- and the executive -- revisit this issue  
19 and go back to court on it, because I think it has  
20 room for improvement.  
21 And, finally, the COAH regulations,  
22 which are a result of Mount Laurel, have had an  
23 inordinate effect on my community, and I'm sure many  
24 others like mine. In our upper-middle class  
25 community, but, nevertheless, highly taxed, any home

64

1 under one and a half million dollars doesn't carry  
2 the educational costs of the children in that home.  
3 And the result of that is that we are trying  
4 desperately to stop development of any kind, and  
5 making no homes available for people who would want  
6 to live in our community and can't afford a million  
7 and a half dollars. I don't think people recognize  
8 how much that Mount Laurel decision has affected the  
9 housing situation, and I hope that something is done  
10 about that someday. Thank you.

11 MR. VAN HORN: Thank you.

12 (Applause)

13 MR. VAN HORN: Sally Dudley, and then

14 Virginia from Clifton. I apologize, I cannot read

15 your last name. Sally Dudley.

16 MS. DUDLEY: Good afternoon. Am I

17 speaking into the microphone?

18 AUDIENCE PARTICIPANTS: Can't hear you

19 (indiscernible.)

20 MR. VAN HORN: You have to speak very

21 closely into it.

22 MS. DUDLEY: Very closely. Is that

23 working better? Okay.

24 My name is Sally Dudley, I'm here on

25 behalf of the Association of New Jersey

65

1 Environmental Commissions, also known as ANJEC, to

2 support a property tax constitutional convention. I

3 also serve as Secretary-Treasurer of the Coalition

4 for the Public Good, which put together Citizens Tax

5 Assemblies last year and this year, and is now

6 working regionally to involve citizens in the tax

7 issue. In the past, I have also served on my

8 township committee and as mayor for two years, so

9 I've had a little experience with these issues.

10 New Jersey's disproportionate reliance

11 on property taxes for our government revenues has

12 important negative impacts on the overall health of  
13 our economy, educational system, and environment.  
14 Our current system results in a constant municipal  
15 ratables chase, which is the major cause of the dumb  
16 growth that is sprawling across the state and  
17 endangering the health of important natural  
18 resources like drinking water.  
19 The current system also results in  
20 inequity for our low and middle-income residents,  
21 who are often priced out of their homes. Constant  
22 increases in property taxes often result in these  
23 citizens having to pay twenty-five percent of their  
24 income for their local property taxes.  
25 And the system also is currently

66

1 resulting in a constant crisis in the financing of  
2 our public education system. Without good, solid  
3 schools for all our residents, we are putting our  
4 state in danger for the future.  
5 Most municipalities are constantly  
6 seeking new development on the premise that changing  
7 land to residential or commercial uses will bring in  
8 additional tax revenues. While this may be true for  
9 a few years after the development is completed, over

10 the long term developed land generally costs  
11 municipalities more than land that is kept open.  
12 Studies of the cost of community  
13 services of five New Jersey municipalities show that  
14 residents cost from \$1.14 to \$1.51 for every dollar  
15 that is collected in property taxes. So the  
16 property taxes do not support the residents. Most  
17 of this additional money is needed to support the  
18 school and transportation systems for the people who  
19 are living in the new houses.  
20 While commercial and industrial  
21 development initially pay more in property taxes  
22 than they cost, over time, they also contribute to  
23 property tax increases as their employees want to  
24 live close to where they are, and they, of course,  
25 are attracting more customers.

67

1 A property tax constitutional  
2 convention would be the best way to deal with these  
3 issues. The Citizens Tax Assemblies over the last  
4 year have shown that citizens are interested and  
5 capable in addressing the wide range of property tax  
6 reform issues. It is crucial to involve these  
7 people in a constitutional convention, it should

8 focus on an amendment that would address property  
9 tax reform and maintain our thorough and efficient  
10 education.  
11 At the Citizens Tax Assemblies, we  
12 have operated on the basis of developing property  
13 tax reform that will result in the same overall  
14 level of revenue from property, income, sales and  
15 other taxes for the state of our current -- as our  
16 current system produces. This guiding principle  
17 seems like a worthwhile, practical approach.  
18 The conclusion of last June's Citizens  
19 Tax Assembly makes sense for the organization of a  
20 constitutional convention. Delegates should be  
21 elected from legislative districts, so there's  
22 geographic representation. Most should be elected,  
23 some appointed; between eighty and a hundred would  
24 be a good size.  
25 Given the difficulty the municipality

68

1 -- excuse me -- the Legislature has had with  
2 addressing this issue, we believe that members of  
3 the Legislature should not be part of it, and the  
4 voters should be provided with objective, concise  
5 information on candidates and convention issues. It



6 makes sense to do this and involve the public to set  
7 up the constitutional convention, which will  
8 ultimately make it work better for the public good.  
9 Thank you.  
10 MR. VAN HORN: Thank you very much.  
11 (Applause)  
12 MR. VAN HORN: Okay. Virginia from  
13 Mountainside Terrace in Clifton. Is Virginia here?  
14 Okay. Richard Petterson (phonetic) of Wayne, New  
15 Jersey, and then followed by Nancy McKiernahan (sic)  
16 -- McKierahan (phonetic). Is Mr. Petterson here?  
17 Yes. Thank you.  
18 MR. PETTERSON: I just want to thank  
19 you for the opportunity to speak to you. I was the  
20 first Passaic County Hands Across New Jersey  
21 coordinator. I'm an engineer as a profession, and  
22 I'm quite familiar with budgeting and how to run  
23 businesses.  
24 I'm in favor of your constitutional  
25 convention, maybe out of frustration. I have an

69

1 answer to your problem (cell phone ringing) -- as  
2 soon as I get the phone.  
3 (Laughter)

4 MR. PETTERSON: Never fails.

5 The solution is to limit spending.

6 There is no budget crisis; there is only a spending

7 crisis. Let me give you an example.

8 My family came to New Jersey in 1950.

9 We had no sales tax, we had no income tax, we had

10 the best roads in the country. We got our streets

11 plowed, we sent our kids to school, and the state

12 functioned beautifully. When these taxes came in,

13 they got more money than they believed was possible;

14 they spent it.

15 With Hands Across New Jersey, we got

16 Florio out, we thought the problem was solved. What

17 happened? We got Christie Whitman, and God bless

18 her, she rolled back the taxes. She was spending

19 \$12 billion. Eight years later, she left an office,

20 and 101.5 told me this on the radio, the budget was

21 up to 24 billion. Let's do the math. There's 4

22 million workers in this state. That means that

23 increase in spending was \$3,000 for each of us who

24 work. Gentleman, there goes your -- I should say

25 your property tax relief. That's a lot of money, to

70

1 me.

2 If I went out and spent twice the  
3 money I earned, you'd call me stupid. So what do we  
4 call our politicians who are going to spend our  
5 hard-earned money? This isn't your money, as George  
6 Bush says, this is my money.  
7 I'm going to retire soon, I'm going to  
8 have to live in this state. All my children are  
9 here, I have worked hard. My taxes in Wayne are  
10 \$8,000; my sisters in Florida, 1,000. People who  
11 leave this state, their taxes are \$1,000. They get  
12 all the services I have. I just don't quite  
13 understand this.  
14 The tough decisions you say you have  
15 to make? There is no tough decision, gentlemen.  
16 You put a gun to my head and say, Rich Petterson,  
17 pay me more money, or you go to jail. That's a  
18 tough decision? No. The tough decision is to face  
19 the special interests, all these people who have  
20 silly ideas and say, no, no, no, I won't buy your  
21 vote with our money.  
22 And, personally, I sure hope that  
23 Hands Across New Jersey could start up again. You  
24 people have a chance. But what hope do we have at  
25 taxpayers? When does it end, with our new Governor?

1 The taxes, I think the spending is up to 28 billion.

2 When will it end?

3 Gentlemen, I hope you can do it, I

4 wish you luck, and I appreciate the time.

5 MR. VAN HORN: Thank you, sir.

6 (Applause)

7 MR. VAN HORN: Is Nancy McKierahan

8 here from Waldwick? Okay. Then we have Tom

9 Martinez, I think, from Hackensack.

10 MR. MARTINEZ: Good afternoon. My

11 name is Jose Martinez, and I live 315 Marval Avenue

12 (sic), Hackensack. I going to talk for myself.

13 I got (indiscernible) we living in

14 Hackensack for thirty-five years. When I started to

15 live in the property, fifty by 100, I used to pay

16 \$600 property tax. Today, I pay \$6,500. Taxes.

17 (Reaction from audience participant)

18 MR. MARTINEZ: So my only concern is

19 that Hackensack is coming a big city, and I know

20 Hackensack very good. I don't know the rest of the

21 state, but I know that so many thing wrong, too many

22 chief of police, too many narcotic police, too many

23 people. They create too many people, top job. The

24 school is the same as it used to be, not too good.

25 But I got no opinion about the school.

72

1 The only thing that every year they  
2 give me (indiscernible), and they say to me, school  
3 so much money. City is spending so much other, so  
4 much. I don't want to see that. I want to see a  
5 big pie (sic) that they tell me where the money they  
6 go, who making so much money. That city is that  
7 way, the rest of the state, I think that we'll be in  
8 the same way.

9 My opinion is too many people on  
10 vacation. That's it.

11 (Laughter)

12 MR. MARTINEZ: I used to work in the -

13 -

14 AUDIENCE PARTICIPANT: Hey, quiet, let  
15 me talk.

16 MR. MARTINEZ: My experience is very  
17 big (sic). I used to work on assembly line with  
18 General Motor. If we don't produce, we go a lay  
19 off. So many time, so much crisis. I remember that  
20 I used to dream when I go to retire. Now that I  
21 retire, already it's nightmare for you. I telling  
22 you the truth.

23 My government, the federal, never hurt  
24 to me. Because I have to pay my taxes. But the  
25 city, the property tax, my money go there. I have

73

1 to make it the federal, they tell me, you need it

2 2.9 percent increase every year. Why people in the

3 top, they make it increase so big? Somebody have to

4 tell me that. And that's the way.

5 You don't -- all of you, you have to

6 travel to Europe. Go to Italy, go to France, go to

7 Spain. Poor country, not like this. My first

8 question was always, how much is your property tax;

9 oh, I pay in change, 500 Euro; what, 500 Euro, and

10 you have a city so big; that's it. I say, where my

11 money is going. They go, the state take my money

12 all the time.

13 So I think all of this one (sic), the

14 state have to check the city, that is very

15 important, because the city they can say, oh, we

16 don't have no money, we have to raise tax, that's no

17 right. That's no freedom to do that.

18 The second one, too many, too many,

19 too many top salary. Somebody say something too

20 before about the lottery. The lottery, they bring a

21 lot of money, and we don't know where the money,

22 they go.

23 The hospital. Why the hospital, they

24 don't pay taxes? The hospital today is to make

25 money. You no have insurance, you no go to the

74

1 hospital. Why this hospital, they don't pay money.

2 The church, why the church, they don't

3 pay money, either? The church is separate from the

4 state. Everybody have to pay taxes. Why I have to

5 carry every --

6 (End of Tape 1, Side B)

7 (Beginning of Tape 2, Side A)

8 MR. MARTINEZ: I appreciate.

9 (Applause)

10 (Participants confer)

11 MR. VAN HORN: Is Elan Ploucker

12 (phonetic) here? Elan Plocker? And then Craig

13 Rogers after that. Craig is here.

14 MR. PLOUCKER: Good afternoon. Good

15 afternoon. Excuse me. My name is Elan Ploucker,

16 I'm the Council President from Englewood Cliffs, in

17 my fourth term. How are you, Senator? Running for

18 my fourth term. I'm a past school board president;

19 I was on the board for fifteen years. And I

20 currently work for Bergen County in planning and

21 economic development. And basically my task is

22 spearheading regionalization for Bergen County.

23 I think one of the things that has to  
24 be addressed before you even talk about a convention  
25 is the fact -- and someone had brought it up earlier

75

1 -- is curbing spending.  
2 In Bergen County, we have seventy  
3 separate municipalities. Now Englewood Cliffs, we  
4 pay less than one dollar a hundred, so I really  
5 don't speak for my town. But many, many towns,  
6 \$3.65 per hundred, \$2, some are -- one is up at \$4.  
7 It's a great deal of money.  
8 But the duplication of services in  
9 seventy separate municipalities, seventy school  
10 boards, seventy superintendents of schools, seventy  
11 police chiefs, all of these things cost a great  
12 deal. Now if the citizens want to continue paying  
13 for that, that's really their option. But, first,  
14 you've got to look at spending.  
15 Money is going to have to come from  
16 somewhere, whether it's a personal state tax, as  
17 opposed to property taxes, funding of education, all  
18 of these things. The bottom line is, when you're  
19 running a business and you're not making ends meet,  
20 you either have to increase your revenue; in this



21 case, it's taxes, and government always has the  
22 right to just raise taxes, or you cut your expenses.  
23 Cutting expenses in this case means cutting  
24 spending.  
25 Without cutting services and by

76

1 attrition, we could reduce dramatically the number  
2 of supervisors, overhead, the duplication of service  
3 throughout the state. We have 560-some-odd  
4 municipalities in this State of New Jersey. For the  
5 most part, every one of them has a full, structured  
6 government.

7 Now I'm not implying that we would  
8 like to reduce the benefits of having local mayors  
9 and council. That's a -- that's local -- local  
10 control. But in terms of so many items: DPWs,  
11 sharing of equipment, street sweepers, pothole  
12 fillers, all of these things that every municipality  
13 seems to think they need their own of, with their  
14 logo on the door, all of those things, if we start  
15 focusing on that with a good public relations  
16 effort, people will give up this bug-a-boo about  
17 home rule. It doesn't reign supreme, it isn't  
18 absolutely necessary. We have to get over it,

19 unless we're willing to pay for it.

20 As far as the convention is concerned,

21 I would recommend one member from each assembly

22 district; that would give us eighty members, and I

23 think that would be the ideal situation.

24 And God bless you all, I hope you do a

25 good job. Thank you.

77

1 MR. VAN HORN: Thank you.

2 (Applause)

3 MR. VAN HORN: Mr. Rogers, and then

4 Bernie Subalewski (phonetic).

5 MR. ROGERS: Again, thank you for --

6 thank you for hearing me out today, I appreciate it.

7 My name is Craig Rogers, I'm from Little Ferry, the

8 southern portion of the Bergen County area. I've

9 been a school board member for eight years; board

10 president for seven of those eight years.

11 Little Ferry, for those of you that

12 don't know it, we're probably a population of ten to

13 12,000; we have approximately 1,260, 1,270 students;

14 a thousand of those are in a K-through-8 grade

15 school.

16 We have probably the -- amongst the

17 lowest expenditures in the entire state. Of the 225  
18 K-through-8 districts, we're number seven in the  
19 cost per pupil. Of the 556, we're like number  
20 twenty-seven, so most people would agree. And I  
21 think three years now, we've been the lowest in  
22 Bergen County, save last year by one. We spend the  
23 least amount per pupil.  
24 Yet, our property taxes are  
25 outrageous. The average homeowner, we are a blue-

78

1 collar town with a very high senior population, we  
2 probably average six to twelve, thirteen, 14,000 per  
3 home. Outrageous.  
4 Our school portion of the tax dollar  
5 is probably fifty-seven cents on the dollar. We  
6 are, in terms of ratable, sixty-five percent of our  
7 ratables come from homeowners; thirty-five percent  
8 come from commercial, half that is apartments.  
9 We're probably the worst-case picture when it comes  
10 to impact on the property tax formula. So we, of  
11 course, have a big problem with it.  
12 I'd like to be gullible enough to  
13 think that the formula and state aid could be fixed,  
14 more equitable distribution. We have nothing

15 against the Abbot districts, but seventy-five  
16 percent of our billions of dollars going into thirty  
17 districts, and the other 570 of us fishing for  
18 twenty-five percent of the state aid dollars, I  
19 think, is absolutely ridiculous.  
20 Now, again, I don't see that's going  
21 to change. I think that's a political issue, and I  
22 -- we've watched it for years; we don't think it's  
23 going to shift. But the fact is, each year I've  
24 been part and party to cutting two to \$300,000 per  
25 year out of our budgets. We're scraped to the bone.

79

1 Now I beg to differ with the gentleman  
2 over expenditures. Trust me, I've thrown out  
3 everything, including the furniture. We had 3,000  
4 budgeted for furniture last year. I just had a six  
5 percent enrollment increase in my district. I can't  
6 buy desks for the children in these classrooms.  
7 This is ludicrous.  
8 The fact is, cutting away  
9 administration by regionalization, it's cute, it  
10 saves some money, and, yes, we should always look  
11 for savings opportunities. But it's not going to  
12 make any sizable property tax relief. That's

13 ludicrous. The fact is most of us in the system  
14 know that eighty, ninety percent of these costs are  
15 teachers' salaries and health benefits. And, again,  
16 that's a political issue. Nobody is going to go  
17 there.  
18 So the fact is, I don't see any other  
19 way, other than the constitutional convention, to do  
20 something about the property tax formula. I'm sorry  
21 that's the case, and I am deathly afraid, as is my  
22 partner, that we're going to get in there and we're  
23 going to take away some of the decisions that the  
24 voters are presently enjoying.  
25 Ironically, of all my complaints in my

80

1 own district, I don't want to see less decisions  
2 taken away from the voter. The voters' pressure is  
3 what's kept us on the ball. We're an award-winning  
4 Governor's district, even after all the numbers I  
5 just told you. Of the twenty-five districts awarded  
6 last year, we are a top-performing school; yet,  
7 again, we're the lowest cost per pupil. Do the  
8 math. Look at the taxes; they're through the roof.  
9 The fact is, we can't afford it anymore. So what  
10 are we doing every year? We're dismantling an

11 excellent school system, who should be the model for  
12 most of your districts.  
13 The property tax formula is putting so  
14 much pressure on us, we can't pass the budgets in  
15 our town anymore. The fact is, we've probably only  
16 passed six or seven budgets in about thirty years.  
17 We're constantly taking away. We have musicians  
18 part time, we have librarians part time, every other  
19 position part time.  
20 So don't tell me shared services help,  
21 don't tell me messing with my administrator helps;  
22 he's only one. The fact is the property tax formula  
23 needs to be adjusted. And unless you can come up  
24 with a more equitable state aid formula, then I  
25 don't think that's going to happen.

81

1 The only other final statement I'd  
2 like to make has to do with the thorough and  
3 efficient education formula. Once again, for some  
4 reason, we like to be picked on. Of our  
5 approximately 290 high school students, maybe about  
6 nine of them attend the local county Bergen Tech and  
7 Bergen Academies, excellent school systems. We pay  
8 over a half million dollars in cost, in tuition.

9 Yet, the present T-and-E per pupil cost calculation,  
10 we don't get any credit for those dollars at all.  
11 Now don't get me wrong, I appreciate  
12 that the state heavily subsidizes an excellent  
13 county school, but the fact is, let me say it again,  
14 we get no credit for that half a million dollars.  
15 So what does it do? It comes back to the thousand  
16 children in our school district, as if they have an  
17 extra half a million dollars expenditures. The  
18 taxpayer looks at that like we have an extra half a  
19 million dollars. And what does he do? He votes  
20 down the budget again.  
21 So not only is the property tax --  
22 needs to be fixed, but the T-and-E calculations on  
23 many of us blue-collar, working towns is really  
24 screwing us. And I certainly hope you can do  
25 something about that. Thank you.

82

1 (Applause)

2 MR. VAN HORN: Okay. Bernie

3 Sevalowsky (phonetic), are you also from Little

4 Ferry Schools?

5 MR. SEVALOWSKY: Little Ferry.

6 MR. VAN HORN: You're from the same

7 school district?

8 MR. SEVALOWSKY: (Inaudible.)

9 MR. VAN HORN: Perhaps you can

10 summarize your remarks, since we have many other

11 people to hear from. And then Frank Chackar

12 (phonetic) after that.

13 MR. SEVALOWSKY: Thanks for having the

14 opportunity to speak before this body, and I'm glad

15 you called Mr. Rogers up here first. Mr. Rogers

16 saved me a lot of effort in being long-winded here.

17 Little Ferry, sadly -- Little Ferry,

18 sadly, should be the poster boy for property tax

19 reform in the State of New Jersey, and I'm going to

20 explain to you that -- to you why I believe that's

21 the case.

22 We made some comparisons as to what

23 some other real estate in other communities around

24 the district, the real estate's values, as opposed

25 to the taxes paid. We unearthed the facts that some

83

1 homes in the district are valued in the upscale

2 communities in the neighborhood of a million and a

3 half dollars, and some of these homes are paying in

4 the area of eight to \$10,000 in real estate taxes.



5 A home in Little Ferry valued about \$650,000 is  
6 paying close to twelve to \$13,000 in taxes.  
7 Now those homes in those upscale  
8 communities are not on 100-by-100 lots, they are on  
9 acre sites, acre-and-a-half sites. They are worth a  
10 million and a half dollars in the real estate  
11 market; they are paying eight to \$10,000, while our  
12 homes in Little Ferry at half the value are paying  
13 almost double the taxes. Little Ferry is virtually  
14 in an uproar right now over the tax situation.  
15 We suffer a situation where, not only  
16 do these people buying homes in our community find  
17 out that we have high taxes; we also must cover the  
18 cost of flood insurance, which is another issue,  
19 which adds substantially to the cost of owning --  
20 owning a home in Little Ferry, as much as \$1,000 or  
21 more in some cases.  
22 Unfortunately for Little Ferry, we  
23 lost a significant portion of our real estate, which  
24 could have served us well today, bringing in  
25 commercial tax ratables. Little Ferry has

84

1 approximately a nine-hundred-and-fifty-million-  
2 dollar ratable base, a nine-hundred-and-fifty-

3 million-dollar ratable base; this is based on ten-  
4 year-old figures. Of that nine-hundred-and-fifty-  
5 million-dollar ratable base, we have a three-  
6 hundred-and-fifty-million-dollar tax-exempt entity,  
7 one-third of our ratable base is a tax-exempt  
8 entity.  
9 It is an autonomous agency, in the  
10 form of the Bergen County Utilities Authority. It  
11 constitutes one-third of our net worth, and yet pays  
12 absolutely no taxes to our community. Not only does  
13 it not pay any taxes to our community; it forces us  
14 to pay almost a million dollars to process our own  
15 sewage. We're required to provide them with  
16 emergency services, in the form of medical,  
17 ambulance equipment, police protection, and fire  
18 protection. Had we had that developed portion of  
19 our property in the form of commercial ratables, our  
20 property taxes would be more in line with some of  
21 our surrounding communities.  
22 So I favor a constitutional  
23 convention. I favor it only if it deals with the  
24 issue of property tax reform. But the property tax  
25 reform effort must also take into consideration all

1 of these agencies, these autonomous agencies, these  
2 NIMBY projects that nobody wanted in their backyard;  
3 they were stuck in some communities, and  
4 unfortunately these communities are suffering.  
5 Please address this particular issue,  
6 I know there's other communities that want you to  
7 deal with the host community fees (sic). We need  
8 something done desperately, and deal with that when  
9 you deal with this constitutional convention. Thank  
10 you. Appreciate it.

11 MR. VAN HORN: Thank you.

12 (Applause)

13 MR. VAN HORN: Is Frank Chackar here?

14 Is that -- it's Frank? Frank Chackar? And then

15 Steve Lonigan from Bogota -- Bogota, excuse me.

16 Middle, Central Jersey. Okay. I gather Frank is

17 not here. Is that correct? Frank Chackar? Steve

18 Lonigan. Is Frank here? No, that's Steve Lonigan.

19 Okay. Mr. Lonigan. Mayor Lonigan.

20 MR. LONEGAN: (Not adequately

21 recorded) Ladies and gentlemen, I'm Steve Lonigan,

22 I'm the Mayor of Bogota. I'm on the front line of

23 the property tax -- I am on the front line of the

24 property tax issue every day, I have been for nine

25 years. And I'm here to join my fellow mayor George

1 Fosdick from Ridgefield Park, and Sally Hayworth  
2 (phonetic) from Closter, to tell you that the real  
3 problem facing the State of New Jersey is on the  
4 spending side.  
5 I have not had a municipal tax  
6 increase in Bogota in four years. Nine years ago,  
7 the year before I was elected, Bogota had a budget  
8 of \$6,250,000. This year, our budget is \$6,290,000;  
9 virtually no increase whatsoever over nine years.  
10 On the reverse side, in 1995, the  
11 State of New Jersey had a state budget of \$15  
12 billion. Today, the state's budget is \$28 billion.  
13 If the State of New Jersey had managed their budget  
14 the way we did in Bogota, the state's budget today  
15 would be \$16 billion, and we could eliminate the  
16 income tax and the sales tax.  
17 I submit to you, ladies and gentlemen,  
18 and many of those here today who are very frustrated  
19 over what's been happening in our state, that the  
20 answer to our problem is not the state government in  
21 Trenton. The problem is the state government in  
22 Trenton. We need to take back local control.  
23 New Jersey is at a crossroads right  
24 now. For 229 years, the strength of this state has  
25 been in its local government. New Jersey

87

1 historically has led the nation in economic growth,  
2 has led the nation out of every recession, and out  
3 of the depression because of its local governments,  
4 because of its economic durability because of that,  
5 and because of its small businesses.  
6 If this convention shifts more tax  
7 burden to income tax and sales tax, you're going to  
8 drive businesses out of the State of New Jersey,  
9 you're going to drive high-income individuals out of  
10 the State of New Jersey. And, inevitably, the cost  
11 of running our governments is going to land on the  
12 shoulders of our property tax owners because  
13 property can never leave the state, and we will  
14 always pick up the pieces.  
15 In 1967, we were told that a sales tax  
16 was going to be the problem to our property tax --  
17 the solution to our property tax issues. That was  
18 three percent in '67, then it went to four percent,  
19 then five percent, and now it's at six percent. In  
20 1972, we were told, pass an income tax, and that  
21 will solve your local property tax problems. Now  
22 that income tax has increased over and over again,  
23 and there is no end in sight.  
24 This year, the state government has a  
25 twenty-eight-billion-dollar budget and a staggering

88

1 debt of \$28 billion, as well. Our bond rating has  
2 been reduced. Our state governor this year had to  
3 bond \$2.8 billion -- which, by the way, I went to  
4 court to block -- to pay current expenses, just to  
5 pay current expenses.

6 It seems to me that, logically, next  
7 year, the state needs another \$2.8 just to cover its  
8 nut, just to pay its bills. In other words, an  
9 income tax revenue increase is never going to be a  
10 solution to local property tax problems; it's going  
11 to be another scam. We've seen it over and over and  
12 over again.

13 Local leaders like myself need the  
14 tools that it takes to cut spending. We need to do  
15 away with every unfunded state mandate. Because I'm  
16 getting a new one every week, even as we speak. And  
17 we need to have the ability to negotiate against  
18 these powerful bargaining units on a fair playing  
19 field, particularly to take on the New Jersey  
20 Teachers Union, which has been the driving force  
21 behind rising spending on every local and state  
22 government level. We need the ability to take on  
23 these special interest groups.

24 If we are going to have a convention,

25 and a convention that's geared towards revenue only,

89

1 I will not support it, and I will oppose it in any

2 way I can. We need to take on spending. And what

3 we need to put on the table are the -- is the Abbot

4 district decision.

5 Now under this thing called the

6 "thorough and efficient education clause," the state

7 court has said that "thorough and efficient" means -

8 - that "fair" means Asbury Park spends 19,000 a

9 student, and Bogota and Paramus spend 14,000 a

10 student. That's called "fair" under the state

11 court's decision.

12 It's not thorough and efficient. It's

13 absurd and ridiculous. We need to take --

14 (Applause)

15 MR. LONEGAN: The fair thing to do is

16 to take the income tax revenue we currently have and

17 divide it evenly amongst every school student and

18 every district in the suburban and Abbot school

19 districts.

20 (Applause)

21 MR. LONEGAN: When we do this, we will

22 provide a fair level of education funding in every  
23 district. And if a town in the Abbot district  
24 cannot provide education with those dollars, then  
25 they should be forced to give a school voucher to

90

1 any student who chooses to pull out of that system  
2 and go to a private school of their choice. Let's  
3 force competition to be the answer to the problems  
4 in those over-funded districts.

5 MR. VAN HORN: Thank you.

6 (Applause)

7 MR. VAN HORN: If you could summarize,  
8 please, Mayor.

9 MR. LONEGAN: Some -- five issues:

10 The Mount Laurel decision should be  
11 part of the convention. This -- as Sally Heywood  
12 (sic) said, that's a driving force behind tax  
13 issues.

14 The Abbot district.

15 Project labor agreements.

16 Limit the growth of government.

17 And make sure that the delegates that

18 we put are not a bunch of big party hacks, but

19 people who represent the electorate in New Jersey.



20 Thank you very much.

21 MR. VAN HORN: Thank you.

22 (Applause)

23 MR. VAN HORN: David Humer (phonetic),

24 Deputy Mayor of Maplewood.

25 MR. HUMER: I'm here for the League of

91

1 Municipalities, also, and for my own opinion.

2 On the scope of the convention, the

3 League's position is that the primary goal of the

4 convention is to reform the property tax system.

5 This is not a narrow charge. It is complex and

6 revolutionary. I urge the task force to charge the

7 convention to stay focused on property tax reform.

8 Constitutional amendments are

9 traditionally limited to a single issue. Broadening

10 the charge increases the possibility of legal

11 challenges or voter rejection, outcomes that could

12 delay or even eliminate the possibility of reform.

13 The remedy suggested should be

14 revenue-neutral. Conventions proposals cannot be

15 seen either as a back-door way of raising the amount

16 of revenues collected by the public sector, or as a

17 Trojan Horse for cutting the funding of our free

18 public schools. The convention should discuss a  
19 more formulaic or delineated policy on the mix of  
20 taxes government collects.  
21 The task force should also consider  
22 empowering the convention to reform inequities  
23 within municipalities stemming from overdue  
24 assessments, and within regions due to vastly  
25 different real tax rates. Let's not lock in current

92

1 inequities.  
2 The task force should not empower the  
3 convention to propose changes in either spending  
4 levels or future caps on spending. If the task  
5 force limits the convention to revenue-neutral tax  
6 reform, it is not logical to empower the convention  
7 to propose increases or decreases in spending.  
8 The League of Municipalities is  
9 resigned to the possibility that the task force may  
10 allow proposals and discussion of spending. If you  
11 do so, the League recommends that tax reform and  
12 spending proposals be presented separately to the  
13 voters. To do otherwise is to increase the chance  
14 that we will see no reform.  
15 On specific suggestions on the

16 process:

17 Suggest 120 elected delegates, three

18 from each legislative district, no more than two

19 members of the same political party, and no more

20 than one state legislator elected per district.

21 There should be a small number of appointed

22 delegates.

23 I would follow Article IV, Section 2

24 of the Constitution for delegate requirements. I

25 think candidates need to collect at least 500

93

1 petition signatures. I think there should be a pay

2 diem -- per diem, not a salary.

3 It should be partisan only, the

4 candidates should have party IDs on the ballot.

5 And I think the task force should seek

6 to avoid a delegate composition evenly split on

7 party lines.

8 On the election and campaign finance

9 rules, the task should write rules at least as

10 strict as those proposed by Assembly Members Roberts

11 and Greenstein; there should be no slates. Excess

12 contributions should be returned to contributors.

13 The task force should consider

14 proposals to provide free mailers for those  
15 candidates who accept a spending cap.  
16 The task force should consider banning  
17 PAC, county, and state party money, and there should  
18 be spending caps and limits on self-financing.  
19 On the timing of convention questions  
20 before the public, the convention questions should  
21 go before voters November of '05. Delegate  
22 elections should be separate from the initial  
23 approval of the convention.  
24 You should consider the idea of  
25 combining delegate elections with school board

94

1 elections. Although school board elections have low  
2 turnouts, it's considerably better than the three  
3 percent who turned out for the 1966 special delegate  
4 election.  
5 On the operation of the convention,  
6 money should come from the general fund only.  
7 If you charge the convention to  
8 suggest only revenue-neutral tax reforms, the OLS or  
9 another research body needs the ability to confirm  
10 the neutrality of any convention proposals.  
11 You should consider appointing a

12 nonpartisan parliamentarian or judicial review panel  
13 to rule on non-germane issue. Consider an oath  
14 confining delegates to the convention hall and  
15 ethics code and lobbying registration.  
16 On the convention schedule, it should  
17 take no more than three months, and it should begin  
18 no later than thirty days after delegate election,  
19 and end by August 2006; and, given this time table,  
20 it should be full time. And I would suggest holding  
21 it at Rutgers, not in Trenton.  
22 On the convention recommendations, the  
23 enabling legislation should spell out the process  
24 for actually making recommendations.  
25 If you limit the convention discussion

95

1 to property tax reform, the ballot question should  
2 be a single question. Previous constitutional  
3 convention provided only for recommendations for  
4 constitutional conventions.  
5 If you decide to allow the convention  
6 to make statutory changes, then you should either  
7 provide for a constitutional amendment or consider a  
8 special amendment procedure. And the enabling  
9 legislation you propose should have a provision for

10 the result, where a convention passes and the  
11 amendment fails at the same election.  
12 And, finally, consider an independent  
13 process to review and okay any of the convention's  
14 recommendations for conformance to its charge, and  
15 consider a provision for ballot simplicity.  
16 I appreciate your efforts, and I think  
17 we're going to make real progress on a significant  
18 change for New Jersey. Thank you, sir.  
19 (Applause)  
20 MR. VAN HORN: Ladies and gentlemen,  
21 members of the task force, we have reached the two-  
22 hour period; however, there are approximately ten  
23 people by my count who have asked to speak. And  
24 without objection, we should continue.  
25 Okay. Nathan Briggs (phonetic) from

96

1 the NAACP, Teaneck. If Nathan is here. If not,  
2 then we'll go to Robert Paterson from Allendale.  
3 Then the next person if -- are you Mr. Paterson?  
4 Thank you. Great. Thank you. Then after Mr.  
5 Paterson, Robert Robinson.  
6 AUDIENCE PARTICIPANT: (Inaudible.)  
7 MR. VAN HORN: We'll get to them in

8 turn.

9 AUDIENCE PARTICIPANT: (Inaudible.)

10 MR. VAN HORN: Well, we'll get back to

11 you, I'm sorry. I just -- I'm reading them off as

12 they are given to me. Yes, sir.

13 AUDIENCE PARTICIPANT: (Inaudible.)

14 MR. VAN HORN: We will definitely get

15 to you, sir. All I can say is I'm reading off the

16 list that I've gotten put in front of me.

17 AUDIENCE PARTICIPANT: (Inaudible.)

18 MR. PATERSON: My name is Bob Paterson

19 --

20 MR. VAN HORN: Yes, Bob --

21 MR. PATERSON: -- I'm a resident of

22 Allendale.

23 MR. VAN HORN: Please speak into the

24 mike, sir.

25 MR. PATERSON: Am I now speaking into

97

1 the mike?

2 MR. VAN HORN: Yeah, close -- yeah,

3 it's hard to do it. Right.

4 MR. PATERSON: I'm a resident of

5 Allendale, been there for forty years, and seen my

6 property tax go from hundreds of dollars to  
7 something significantly in excess of 10,000. It  
8 occurs to me that small percentage of increases are  
9 more important today than they were forty years ago,  
10 only because they represent so many more dollars.  
11 In the last thirteen years, I've  
12 served ten years on the Allendale Council; and, for  
13 most of that same period of time, I've taken an  
14 interest in the problem of property taxes. I'm  
15 coming to you as someone who, not only pays the  
16 taxes, but someone who's had the opportunity to look  
17 at the other side of the coin, to witness the  
18 process of assessing and collecting the taxes.  
19 Based on that experience, I have no  
20 patience with the property tax system. And my major  
21 purpose in coming before you this afternoon is to  
22 try to assure myself, to implore you to make sure  
23 that the charter of any convention permits that  
24 convention to consider alternatives to the property  
25 tax system.

98

1 I'm careful to do that because, in the  
2 course of my research, I've looked at some of the  
3 bills that have been submitted by legislators,



4 including the senator in my own district. I was  
5 disappointed to find that those bills, so far as I  
6 can determine, had they been passed, would have  
7 limited the convention to the consideration of a  
8 restructuring of the present property tax system.  
9 Those bills would not have given the convention the  
10 opportunity to abandon the property tax system  
11 entirely and substitute an alternative. I would  
12 like to see any convention have that opportunity.  
13 They may not choose to do so, but they should  
14 certainly have the opportunity to do it.  
15 One of the reasons why it's important  
16 to me that abandonment of the property tax system be  
17 considered is that, by my calculation, that system  
18 costs, across the State of New Jersey, in excess of  
19 \$250 million each year to run. Many of the speakers  
20 who have preceded me have pointed out that there's a  
21 need for savings. If you could abandon the property  
22 tax system in its entirety, there's a potential  
23 saving which is equal, I believe, to about five  
24 percent of all of the municipal budgets across the  
25 state.

99

1 I simply wanted to bring those two

2 facts to your attention. Thank you for listening.

3 MR. VAN HORN: Thank you, sir.

4 (Applause)

5 MR. VAN HORN: Is Robert Robinson

6 here? Mr. Robertson.

7 MR. ROBERTSON: Thank you.

8 MR. VAN HORN: And after Mr. Robinson,

9 Gary Patton.

10 (Participants confer)

11 MR. ROBINSON: Good evening. Good

12 evening. My name is Robert Robinson, I'm President

13 of the local NAACP here in New Jersey -- in Bergen

14 County, and I want to talk about property taxes, as

15 well as many other issues. A property tax

16 convention may be the way to go because, as we

17 looked at it, a lot of people associate property

18 taxes and school taxes.

19 Public schools are very, very

20 important. It's the only thing that we really have,

21 that we need to educate all of the children of this

22 world. So public education, while it shouldn't be

23 under attack, it need to be to ensure that every

24 child get a thorough and efficient education.

25 Brown v. Board is fifty years old on

1 May 17th of 2004. And fifty years later, we're  
2 still struggling with education. Abbot v. Burke is  
3 thirty-some years old. We're still struggling with  
4 every child getting a fair and thorough education.  
5 And many years after state takeover of  
6 Paterson, Jersey City, Newark School Districts,  
7 they're still under-funded and under-education as  
8 far as test scoring. We need to look at the overall  
9 picture and ensure that ever child get a thorough  
10 and efficient education.  
11 And then the timing of these meetings.  
12 You look at it, from 2 to 4 on an afternoon, the  
13 average working person is at work. The middle  
14 income and the low income will never be able to have  
15 their voices heard by this committee. Something is  
16 wrong with that. We need to develop a time where  
17 all New Jerseyans will have a time to hear -- have  
18 their voices heard. And even the representation of  
19 the panel. Is anyone there from Paterson, Newark,  
20 Jersey City, of those counties representing and  
21 concern about the peoples (sic) and the children in  
22 those districts?  
23 I've heard a lot of attack today on  
24 Abbot, and I've heard a lot of attack today on Mount  
25 Laurel. Mount Laurel and Abbot only was trying to

101

1 rectify wrongs and injustices that were done over

2 the years.

3 We spent a lot of money imprisoning

4 our children over the last juveniles as well as

5 adults (sic). We spend more money imprisoning them

6 than we do educating them. There's a problem.

7 They're in prison for minor drug offense, a lot of

8 them not only their own fault. We need to do

9 something about that.

10 (Applause)

11 MR. ROBINSON: We need to look at

12 what's really affecting New Jersey.

13 We have homeowners who work thirty and

14 forty years in this state, putting money into this

15 system, and then they have to move out when they

16 retire, leaving their friends, family, and all

17 they've ever worked for, for the forty years, to

18 move to a place where taxes are lower, or move down

19 to Delaware, move down to Virginia, North Carolina,

20 South Carolina and Georgia. There's a trend there.

21 If you look at the Record report a few

22 years -- a few months ago, you will see the trend is

23 there. There's a Little Hackensack right now in

24 Delaware. Why? Taxes. There should be a law

25 against a child -- a person having to work all their

102

1 lives in one area, and then pack up and leave.

2 We have a lot of different problems

3 here in this company -- in this country, and many of

4 them stems from taxation, and over-taxation without

5 fair representation is wrong. We need to do

6 something. There's no magic wand. There's

7 something that need be done fairly, equally, and

8 across the board.

9 We call on you. You have a large

10 responsibility. Deliberate, pray on it, really do

11 seek guidance from a higher authority, and

12 understand that God can fix it all. And I know that

13 each one of you in your own way believe that there

14 is a higher authority, because man cannot create

15 water. He can create everything else, but water was

16 created by God. And let's know that God is still

17 watching, and he believe that all mens (sic) were

18 created equal.

19 The injustice in the justice system is

20 atrocious, even with the drug court today, if you

21 looked at it, there's more caucasian kids that get

22 their opportunity to get fair treatment out of there

23 than even the African American kids and the hispanic

24 kids. We need to look at this, we need to be

25 serious about being fair.

103

1 It's not about race; it's about equal.

2 It about equality (sic). And the injustices that

3 were done over the years, how do you justify them

4 without something like a Mount Laurel, without

5 something like an Abbot, without something like

6 Brown v. The Board, without some laws being passed

7 to enforce them being equal. After fifty years,

8 Brown is still unenforced. Thank you.

9 MR. VAN HORN: Thank you, sir.

10 (Applause)

11 MR. VAN HORN: Gary Patton. Is Gary

12 Patton here? And then Ludwig Smigelsky (phonetic)

13 after that.

14 MR. PATTON: Thank you very much,

15 ladies and gentlemen. Move this up? Can you hear

16 me? Well, okay.

17 My name is Gary Patton. Peyton. I'm

18 not the basketball player, I'm another person by the

19 same name. I'm here to speak today as a

20 representative of the seniors of the Township of

21 Mahwah. I happen to be a council member of the

22 Township of Mahwah, but I'm not speaking here

23 collectively for the township; I'm speaking for the

24 seniors.

25 One of the significant things being

104

1 near the border of New Jersey and New York is that

2 we have many friends in the State of New York, and

3 many of our friends in New York, who are elderly

4 seniors, abide by and apply to a system called the

5 New Jersey Star Program -- excuse me, the New York

6 Star Program.

7 The New York Star Program is a program

8 that's in place for seniors, that gives tremendous -

9 - I won't call it "rebates" -- credits to seniors,

10 depending on their income. And there are situations

11 where there are seniors who will get half of their

12 money forgiven by the -- from the county, the

13 municipality, and the schools. The money does

14 eventually get to it; it comes from the state. And

15 now the question is, well, where is the state going

16 to get the money.

17 I think what we need to do, and many

18 of the people here today have said, you need to be

19 more efficient in providing better control at the

20 state level of taxes. So I suggest very strongly

21 that someone take the initiative in going to look at  
22 the New York Star Program and see how it might apply  
23 in the State of New Jersey. You can find it on the  
24 web, it's very clear, very articulated, very  
25 effective. A former friend of mine, George Pataki,

105

1 was the one who brought it to the State of New York.  
2 I commend him, I hope you can do the same thing.  
3 I am retired, I have lots of time.  
4 I'm an IBM executive, or was, until I retired. And  
5 I see one of my assemblymen over here, and I'm going  
6 to make a notation to him on e-mail tonight that I  
7 would like to serve as representative from his  
8 district.  
9 Hopefully, we don't go into this for  
10 years and years and years and boil the ocean. I  
11 think it's a lot simpler than boiling the ocean. We  
12 need to get some funding from the state, we need to  
13 get some relief for all the seniors who have lived  
14 in the State of New Jersey; such that, they don't  
15 get chased out. They deserve to stay here, they  
16 deserve your help. Thank you.  
17 MR. VAN HORN: Thank you.  
18 (Applause)



19 MR. VAN HORN: Ludwig Smigelsky. Is

20 Ludwig here? Okay.

21 (Participants confer)

22 MR. VAN HORN: Okay. Al Innancy

23 (phonetic). I'm going through the list of people

24 who have not -- Catherine Gutjaw (phonetic). Okay.

25 Henry Lavari (phonetic). Henry? Thank you. And

106

1 then Lou Schwartz. See, you're --

2 (Audience participants confer)

3 MR. VAN HORN: Yes.

4 MR. LAVARI: Good afternoon. My name

5 is Henry Lavari, and I'm Director of Business and

6 Legislative Affairs --

7 MR. VAN HORN: You have to speak very

8 closely into that.

9 MR. LAVARI: -- okay -- for Excellent

10 Education for Everyone. E-three (sic) is a

11 statewide, nonprofit advocacy group that's promoting

12 school choice.

13 I'm here today to -- and,

14 incidentally, I gave my testimony in the back,

15 copies for you. I'm here -- and I'll try to

16 summarize it real quickly.

17 I'm here today to recommend to you  
18 that the constitutional convention includes spending  
19 on the school district side, in addition to the  
20 revenue side, as part of their property tax review.  
21 I believe the credibility of the process in the eyes  
22 of the local taxpayers demands that they do an  
23 exhaustive review of spending before implementing  
24 any revenue shifts.  
25 Let me be very clear. E-three

107

1 believes there are numerous education costs that can  
2 be reduced without affecting the quality of  
3 education. Cost reduction without affecting the  
4 quality of education.  
5 As we all know, the state is under  
6 immense financial pressures, and there's been a lot  
7 of discussion today about the budgets, the  
8 forthcoming budgets, and the level of budgets and  
9 the funding as a result of that. And then going  
10 into the next budget, the state is already starting  
11 at a four-billion-dollar deficit, and this is going  
12 to put even more pressure on the state to allow for  
13 contributions to municipalities and school  
14 districts.

15 And we all know the Supreme Court has  
16 ruled that the Abbot districts receive funding at a  
17 certain level, and that the schools be renovated or  
18 build new schools in the Abbot districts, covering a  
19 hundred percent of their costs. And just recently  
20 the New Jersey School Construction Corporation  
21 indicated that that stream is already running out,  
22 and that's going to put more pressure for the  
23 Legislature to build those schools necessary for the  
24 Abbot districts.  
25 E-three believes that the Abbot

108

1 districts do require more funding to properly  
2 educate urban children, more funding than suburban  
3 children. We support the Abbot decisions, but we do  
4 not condone the inefficient or wasteful spending  
5 that we believe that occurs in all New Jersey school  
6 districts.  
7 There have been others today that have  
8 demanded that open-ended funding levels be accepted  
9 for education, primarily in the Abbot districts, no  
10 matter what the implication is on the state budget  
11 or property taxes. There are others today that  
12 demand that the Abbot funding be reduced

13 dramatically, no matter what the implications to  
14 quality.  
15 E-three believes that the truth is  
16 somewhere in between. Costs can be reduced without  
17 affecting the quality, and must be part of the  
18 process in the forthcoming debate. So we urge that  
19 you charge the constitutional convention include a  
20 mandate to examine all school spending reductions  
21 which can be achieved without compromising quality.  
22 Now there are lists of ideas that have  
23 been put together that I know others are going to be  
24 submit -- submitting in future hearings, and just  
25 some ideas that -- of the larger ideas are to look

109

1 at pension reform on the -- on the business side. A  
2 number of businesses have moved from a defined  
3 benefit plan to a defined contribution plan. That's  
4 something that needs to be looked at in the State of  
5 New Jersey.  
6 Medical contributions. Most of the  
7 school districts, there are no contributions by  
8 teachers and staff toward their medical. And I know  
9 that some of that has started, but you need to look  
10 at that in more detail.

11 The current implementation of the  
12 tenure rules in schools, for some reason it's not  
13 working, and it's virtually impossible to get rid of  
14 ineffective and inefficient teachers. And I'm not  
15 suggesting that there are a lot; it may be a small  
16 percentage, but right now it just isn't happening.  
17 And we also need to look at the over-  
18 regulation and the work rules that are essentially  
19 causing the very bloated overhead in our school  
20 system.  
21 And then, finally, from an E-three  
22 perspective, we need to look at the competition of  
23 school choice, especially in the urban districts  
24 where the schools are failing. Thank you very much.  
25 MR. VAN HORN: Thank you, Mr. Lavari.

110

1 (Applause)  
2 MR. VAN HORN: And you've submitted  
3 your material to us. Thank you.  
4 Lou Schwartz, and then Bill Brown.  
5 MR. SCHWARTZ: Hi. My name is Lou  
6 Schwartz, I'm here representing a number of  
7 organization (sic), first of all, the AARP. I'm a  
8 grassroots coordinator for this area.

9 Secondly, the Division -- the Advisory  
10 Council to the Division of Senior Services in Bergen  
11 County, I am its legislative chair. Besides that, I  
12 belong to a few other organizations.  
13 I'm not going to -- most of what I  
14 wanted to say has been said, and I won't repeat it.  
15 Just want to let you know, first of all, we strongly  
16 support a constitutional convention, not because we  
17 think constitutional conventions are such a great  
18 thing, because it seems to be the only way we can  
19 possibly reform the property taxes.  
20 This -- the Florio Syndrome is still  
21 riding very strong, and legislators feel the need  
22 increasing the taxes, means they're dead. And  
23 that's why we need this constitutional convention.  
24 The biggest thing, the most important  
25 thing we see is the nature of the property taxes.

111

1 It's a regressive form of taxation, especially  
2 affects strongly those that are low income,  
3 especially senior citizens. And what we favor is a  
4 progressive form, and that deals primarily with the  
5 question of education, where it can easily be put  
6 into effect.

7 We have a bill in the Legislature now  
8 called the Smart Bill, you may be aware of, and  
9 that's what it deals with primarily, making the  
10 educational part a progressive part, with the state  
11 assuming most of the costs of education.  
12 We, above all, want to see no harm  
13 done to our public education system. I know many  
14 people feel the senior citizens tend to vote against  
15 it. It would be best if that vote was taken away  
16 completely, and that's what would happen with the --  
17 with the -- with the Smart Bill.  
18 The next thing I've got to say is the  
19 question of how delegates will be elected to the  
20 convention. By the way, the AARP at your next  
21 meeting will have a full -- will have a full  
22 proposal on this question. Our concern is that if  
23 you have it in the ordinary election, the lobbyists  
24 will dominate it, just like they dominate the other  
25 elections. And we'd like to see some system set up

112

1 where they don't dominate it, where the state plays  
2 the role of paying for the whole thing, where  
3 delegates that are elected will be supported by the  
4 state, so that people can't afford to go on their

5 own will be able to go. Thank you.

6 MR. VAN HORN: Thank you, sir.

7 (Applause)

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

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

10 MR. VAN HORN: -- and then Ellen

11 DeLoshe (phonetic), or impatiently waiting. Mr.

12 Brown.

13 MR. BROWN: I'm Bill Brown, a resident

14 of Glen Rock in Bergen County, a member of the New

15 Jersey Coalition for the Reform of Property Taxes.

16 Can you all hear? Thank you.

17 I am -- the coalition is a nonpartisan

18 coalition, representing grassroots organizations in

19 six counties, and their website, as one person has

20 indicated, but it's worthwhile to keep note of it,

21 [www.reformschooltaxes.com](http://www.reformschooltaxes.com). So I won't go into

22 particulars on that (indiscernible).

23 I will say that the first sixty to

24 come to this meeting benefitted by getting a flyer

25 on this (indiscernible). Unfortunately, I was an

113

1 early bird, and I signed the wrong list, which at

2 the time was the first list for speakers here. I'm



3 glad that the young man made an effort to bring to  
4 your attention that there had been a goof-up (sic).  
5 And I want to thank you all, since I  
6 attended Governor Whitman's commission hearings, I  
7 want to thank you all for staying as long as you  
8 had, unlike some precedents, and for seeming to stay  
9 alert. Image is very important. And that's why I  
10 said to some in the back, make no mistake, this is  
11 not the task force's mistake on the speaking order.  
12 And I think an apology is due. I'm not on the  
13 faculty, but I am one of their most long-time  
14 students, and I still take courses here at Bergen  
15 Community, and I'm sure that they would be chagrined  
16 to hear what happened with the attendance.  
17 And, therefore, since this is a  
18 hearing to get recommendations on procedures, I  
19 would strongly urge that you see to it that your  
20 advance (sic) is given to the host organization,  
21 either a sample format, clearly headed, speakers  
22 list. So that -- or some other such manner, either  
23 give them a sample or give them a whole wad of  
24 lists, so that you don't start off on the wrong  
25 foot. Because I'm sure everyone at the podium is

1 well aware that image is very important. And I make  
2 that (indiscernible) expression it is, because I do  
3 not want you to start behind the eight ball, it was  
4 not your fault. It's just a case of -- to  
5 paraphrase a common expression -- the early worm  
6 gets the bird.

7 My second comment -- by the way, there  
8 is an advantage of being late when you're patient  
9 enough to hear those who are on the bottom of the  
10 list, and that is to hear what others have said, and  
11 to benefit by that, because it cuts out half of what  
12 you were going to talk about.

13 But just an observation that might  
14 help you, I think, and that is there have been some  
15 politicians, including mayors and school board  
16 members, who have launched into rhetoric about what  
17 the problem is. But you all know what the problem  
18 is. You would like some guidance, I presume, as to  
19 how to best decide how you would guide the  
20 constitutional convention and there are procedures.

21 And I understand from reading the press that you're  
22 not all convinced that we even should have a  
23 constitutional convention; and, indeed, that is a  
24 serious consideration.

25 One of the provisions of the bill I

1 noted somewhere, there was a senate bill to have a  
2 constitutional convention, and I think it was S-63,  
3 but I don't have it -- I don't seem to have it  
4 handy.

5 One of the provisions was that, prior  
6 to the actual convention, prior to the actual  
7 (indiscernible) presentation to voters and the  
8 opportunity to determine -- to determine whether  
9 there should be a convention, a group -- a group  
10 which is prominent in the Office of Legislative  
11 Services, that group -- I forget its name -- would  
12 do their homework and review for consideration to  
13 recommend to the convention the various proposed  
14 solutions to the dilemma on property taxes.

15 Now they actually in the bill listed  
16 several alternatives, not (indiscernible) -- all  
17 right. Thank you. I'll just indicate that -- that  
18 perhaps you would find some means to discourage  
19 rhetoric by politicians, some of whom did,  
20 thankfully, address procedural matters, which is, I  
21 believe, your goal, in order to control that, in  
22 order to shorten (indiscernible) time, and give some  
23 who might have some serious considerations for you.  
24 I do want to finish by stating that  
25 the Smart Bill solves the problem of no conflict

116

1 between ages. Seniors are not pitted against young  
2 people; it benefits young and old. It does not  
3 address costs in the equation, though we recognize  
4 that costs must be considered. The bill places no  
5 restrictions whatever on school budgets.  
6 And, therefore, it would encourage --  
7 or let me put it this way -- it would prevent senior  
8 citizens who have to opt between medications and  
9 food. It avoids forcing them to make the decision  
10 that the only alternative is to move from their home  
11 and the people they love so much.  
12 It's the only alternative that allows,  
13 to my knowledge -- that allows a family, a young  
14 family with two incomes, living in New Jersey with a  
15 heavy mortgage, when one of them loses his job. It  
16 helps them because the equation is currently you get  
17 a ninety percent refund on the school taxes that you  
18 pay, and you, on the other hand, pay a tax  
19 additional of currently about fifty percent, and  
20 that would vary based on whatever is required to be  
21 revenue -- revenue-neutral.  
22 Because the funds are dedicated, the  
23 funds collected from the surtax are dedicated to the  
24 individuals, including renters, as well as  
25 homeowners of all ages, to receive that fund --

117

1 refund, the net advantage in a direct check if they

2 so elect, or for homeowners, a credit at their tax

3 collector's office.

4 Thank you very much, and I do hope you

5 will make it your policy and recommendation that all

6 measures which currently are bills, proposal which

7 are bills, be seriously considered by a convention.

8 Thank you.

9 MR. VAN HORN: Thank you, Mr. Brown.

10 (Applause)

11 MR. VAN HORN: Ellen DeLoshe. Is

12 Ellen here? Okay. And then John Turanian (sic) --

13 Turian (phonetic), excuse me. Mr. Turian.

14 MR. TURIAN: John Turian, Hillsdale.

15 MR. VAN HORN: Hillsdale. Is that

16 right?

17 MR. TURIAN: Yes. Is -- am I -- am I

18 being heard (inaudible)?

19 MR. VAN HORN: I think so, yes.

20 MR. TURIAN: Okay. The problem is not

21 to take -- to find alternate ways to fund education;

22 the problem is the cost of education. Up to \$10,000

23 that an average homeowner in Northern New Jersey

24 pays, 1,900 goes to (indiscernible) and \$8,100 goes

25 to public education, in addition to the 8.9 billion

118

1 that the state allocates for education, plus through

2 the tremendous power of NJE -- NJEA, another 2

3 billion hidden in post-retirement, medical,

4 contribution to FICA for teachers, and teachers'

5 fund.

6 Let's put this into perspective. Of

7 the \$27 billion that the state has slated for this

8 fiscal year, 9 billion is for education, plus

9 another 2 billion hidden in the treasury, plus ten -

10 - 10,570,000,000 in property taxes, half a billion

11 from the (indiscernible) and other sources. In

12 effect, what this is, is that the BOE has empowered

13 BOE's, board of education to be an (indiscernible)

14 tsars. When I first went into one of their

15 meetings, I was belittled and attacked personally.

16 This is not the way to run it, a business. If I'm

17 being taxed, I should have a say in the matter.

18 And what I'm saying is clear. Of the

19 \$27 billion in total state expenditures, if 8

20 billion, 9 billion of it, plus 2 billion in the

21 Treasury, making 10 billion, the remainder is 17

22 billion. In other words, the State of New Jersey is  
23 spending 17 billion for all fifteen remaining  
24 department of state. And one department is spending  
25 21 billion.

119

1 Let's take teachers' salaries, which  
2 are scandalous. Of the teachers' salaries are 7.8  
3 billion, the taxable portion; there is a portion  
4 that is not taxable, so it's 8 billion, plus 2  
5 billion, that's 10 billion. Consider the 10 billion  
6 are in salaries for the teachers. Consider that the  
7 remainder fifteen departments of state, they have  
8 all together \$17 billion, that's it.  
9 And let's then say that, in addition  
10 to the trucks and the facilities and all the other  
11 things that they have to buy, all the fifteen, the  
12 salaries of the employees of the remaining fifteen  
13 departments is not equal to the teachers' salaries.  
14 Where are we going with this?  
15 A teacher's salary average is  
16 \$120,000, average. Administrators, two hundred  
17 fifty, 300,000. Is the NJEA, the union NJEA so  
18 powerful that it is really forcing legislators to  
19 give in? When is it time that we have some citizens

20 and some people with backbone, and not the -- the  
21 inept BOEs who will bargain in good faith and take  
22 back give-backs from the unions.  
23 In my district, the Regional Valley --  
24 Pascack Valley Regional High School, can you imagine  
25 that we have included in education hockey?

120

1 (Audience participants confer)  
2 MR. TURIAN: In Pascack Valley, they  
3 have hockey, swimming, dancing, and other items, and  
4 they are hiring coaches to be teachers for that.  
5 This is sacrilegious, it is not right. The  
6 Department of Education must not only make a  
7 curriculum that is standard, but also tell us what  
8 education should be limited to. Thank you.  
9 (Applause)  
10 MR. VAN HORN: Now that was the last  
11 person that I had on my list. But is there anybody  
12 else who would like to be heard? Just please come  
13 up, ma'am, and identify yourself. Well -- don't  
14 worry, you'll have a chance to be heard. We already  
15 explained there was apparently one list, and another  
16 list, and there was some confusion.  
17 AUDIENCE PARTICIPANT: (Inaudible.)



18 MR. VAN HORN: Well, you are going to  
19 speak. Just please sit down and go ahead.  
20 AUDIENCE PARTICIPANT: (Inaudible.)  
21 MR. VAN HORN: Just give you name and  
22 -- and where you're from, and we'll proceed, and  
23 just you'll have to speak closely into it.  
24 MS. CAREN: Kathleen Caren (phonetic),  
25 I'm from West Milford.

121

1 First of all, I'd like to -- following  
2 the last speaker, I'd like to say that, if you think  
3 education is expensive, try ignorance. New Jersey  
4 is number two in education --  
5 MR. TURIAN: (Inaudible.)  
6 MS. CAREN: Sir, I was going to say  
7 that even before you said what you were going to  
8 say. Okay?  
9 MR. VAN HORN: Let's be polite.  
10 Everybody --  
11 MS. CAREN: Okay.  
12 MR. VAN HORN: -- has their  
13 opportunity to speak in turn, and then --  
14 MS. CAREN: Well, as far as --  
15 MR. TURIAN: (Inaudible.)

16 MR. VAN HORN: Sir, please. Let her -

17 - let her continue. All right? Please.

18 Yes, ma'am. Go ahead.

19 MS. CAREN: And as far as teachers'

20 salaries being scandalous, I think that some of the

21 CEOs' salaries are really scandalous, people making

22 3,000 and 5,000 times more than their highest paid

23 employees. I don't understand why people need to

24 make that much money.

25 But I've also -- I have a few other

122

1 notes here. I did not know about this until I read

2 about it in the Record yesterday, about this public

3 hearing. And I think that all the names that you're

4 hearing -- that you're calling out and people aren't

5 here, I think that that really calls for you to have

6 additional public hearings, and at night, so that

7 people who work can be here. I think it's very

8 important.

9 When is the public comment period

10 over? Can you tell me that?

11 MR. VAN HORN: There -- we're open

12 until we're finished with our report, which will not

13 be submitted until December, so there's plenty,

14 ample time.

15 MS. CAREN: Okay. Okay. Thank you.

16 I've heard it said that the function

17 of the middle and lower-income earners is to

18 subsidize the wealthy. And I think if you look at

19 the fact that seventy percent of the stockholders,

20 people who own stock in the stock market, are the

21 top ten percent, I think that what we need to do is

22 look at property taxes and realize that these are

23 regressive, and that really we should be paying for

24 our state services based on income, based on -- you

25 know, almost like a tithing, like you do at church.

123

1 The more you have, the more you give.

2 And that, you know, I think New Jersey

3 is, you know -- someone earlier said that, if you do

4 that, if you raise income taxes, that, you know,

5 businesses and rich people are going to leave. I

6 think that's a ridiculous argument because there's a

7 lot of rich people here that are here because they

8 work in New York. I mean, this is the hub of the

9 eastern seaboard, and I don't see that happening.

10 I -- property tax is regressive, so

11 then, you know, it doesn't work for people when they

12 get older; senior citizens and people who find  
13 themselves on disability, on fixed income. People  
14 are losing their homes because, you know, they have  
15 to leave their homes because they can't pay their  
16 property taxes. And I think it's really -- it's  
17 just not -- it's just not right. We shouldn't be  
18 depending on property taxes.  
19 One minutes, okay.  
20 I've heard a lot of good ideas here,  
21 I'm not going to repeat anything. I'd like to say  
22 that I think that watershed and farmland communities  
23 should be considered as paying less in property  
24 taxes because we provide -- West Milford provides  
25 like drinking water to three-million-plus people in

124

1 the State of New Jersey.  
2 And I guess that's all I have to say,  
3 but thank you very much for you time.  
4 MR. VAN HORN: Okay. And thank you  
5 for your patience.  
6 MS. CAREN: And I encourage you at  
7 this time, more public hearings.  
8 MR. VAN HORN: Thank you.  
9 Yes, sir. Then I'll come to you.

10 Okay? Yeah, we'll get around to everybody. If  
11 you'd just come on up. Please identify yourself and  
12 where you're from.  
13 MR. GORLIN: (Inaudible.) My name is  
14 Norman Gorlin (phonetic) (inaudible) Republican  
15 Party. I'm here to discuss an issue which has not  
16 been raised. We have a problem --  
17 MR. VAN HORN: Excuse me, you have to  
18 lean in.  
19 UNIDENTIFIED: You have to lean into  
20 the microphone, sir.  
21 MR. GORLIN: (Not adequately recorded)  
22 Can you hear me now? One of the major problems we  
23 have with the property taxes is the reevaluation  
24 process. We've had disasters in Bergen County, in  
25 Lodi, we had a disaster in Cliffside Park. But the

125

1 reevaluation does not produce one penny more in  
2 revenue; what it does do is cause a disaster for  
3 existing homeowners. Property tax is basically a  
4 net worth tax. You can move into a neighborhood  
5 (inaudible) land value escalates, and you're  
6 suddenly placed into a very high tax on your  
7 property.

8 Now there are certain states that have  
9 looked at this issue, and they've come up with  
10 answers. Michigan had a bipartisan effort by  
11 Governor -- former Governor Engler (phonetic), and  
12 Senator Starbanow (phonetic), who was at that time  
13 the head of the senate, she was the majority leader  
14 of the Senate on the Democrat side.  
15 What they've basically done is make --  
16 have a process which holds harmless all existing  
17 homeowners up for evaluation. When the home is --  
18 when the property is sold, the market value is  
19 assigned to that property. So, therefore, I think  
20 it would be -- there are two sides to the property  
21 tax (inaudible), one is the rate, which is based  
22 upon expenditures, and one is the value of the  
23 property. So, therefore -- so, therefore, there is  
24 the value of the property remains constant.  
25 And the problems with the senior

126

1 citizens and the other people who are unfortunately  
2 impacted by the property tax, all that they've got  
3 to worry about is the expenditure side, which means  
4 that they've got to deal with the state, they've got  
5 to deal with their municipal council, with the

6 school board, but they do not have a problem with  
7 the increasing value, which suddenly causes a  
8 dramatic and catastrophic effect upon their taxes.  
9 So, therefore, I would suggest that  
10 the convention be assigned the task of looking at  
11 the other solutions which we have in Michigan. New  
12 York City has got another form of circuit breaker  
13 (sic). And all -- these issues would be very  
14 beneficial to the citizens of the state.  
15 Now as far as expenditures are  
16 concerned, I just want to inform the board that if  
17 you want to pay teachers the highest salaries in the  
18 country, you're going to have a humongous tax rate  
19 (indiscernible).  
20 MR. VAN HORN: Thank you, sir.  
21 MR. GORLIN: (Inaudible.)  
22 MR. VAN HORN: Thank you.  
23 (Applause)  
24 MR. VAN HORN: Yes, sir. Just  
25 identify yourself and where you're from, please.

127

1 MR. FRANTANTONI: Good afternoon.  
2 Vincent J. Frantantoni (phonetic), the Township of  
3 Belleville, I'm a trustee of Concerned Citizens of

4 Belleville, United Taxpayers of New Jersey, and a  
5 former township commissioner.  
6 Honorable legislators and  
7 distinguished panel members, I welcome this chance  
8 to speak to you; however, it was not properly  
9 formatted in how to get here. I got here early, at  
10 quarter to 1, it took me twenty-five minutes; nobody  
11 knew where this place was, there was no signs. I  
12 asked to speak, I sign in, and something is wrong  
13 because I signed in right under Mayor Lonegan's  
14 name. So I don't know what list you wrote off of  
15 that, but I signed right behind him.  
16 MR. VAN HORN: Apparently not the  
17 right list.  
18 MR. FRANTANTONI: Right.  
19 MR. VAN HORN: Again, we apologize,  
20 sir.  
21 MR. FRANTANTONI: Well, it's -- Mark  
22 Twain just said, "Man is the only animal who's found  
23 the true religion, several of them." And if he were  
24 here today, he'd say, New Jersey has found the real  
25 solution to the property tax situation, several of

128

1 them.



2 As stated earlier, we've had the -- I  
3 was protested in 1976 (sic), the income tax, then we  
4 went to the sales tax and the lottery and the  
5 casinos, and all the other things we're doing.  
6 I was in this very college, and May  
7 19th, 1998, for the Governor's Property Tax  
8 Commission. I've also been on over -- spoken at  
9 Penn, other bodies, that the governors have held.  
10 Senator Ewing once held a property tax commission  
11 here. Commissioner Klackholtz (phonetic), Education  
12 Commissioner, held these education hearings all over  
13 this state. And, after everything was done, I  
14 called Legislative Service, I got copies of the  
15 report. I have more reports in my file cabinets,  
16 just sitting there, and the state does nothing with  
17 him. And it's getting a little frustrating with our  
18 tax dollars.  
19 I want to thank Senator Lance for his  
20 efforts to stop this outrageous, unconstitutional  
21 borrowing that's going to take place Wednesday.  
22 Hopefully, that can be stopped.  
23 But I'm going to read, not from my  
24 notes, I'm going to read from a document called the  
25 New Jersey State Constitution. And we don't need, I

1 am adamantly opposed to a property tax convention;  
2 there is absolutely no need for it, if all the  
3 members of this task force -- and it's all very  
4 long. This is our great state's papers, the  
5 constitution is only a few pages in here. Your duty  
6 on one weekend, would read the state constitution  
7 three times, and you'll see in this constitution  
8 there's all the checks and balances to control state  
9 and local and county property taxes.  
10 Article XIII, Section 2, Paragraph 3:  
11 The legislators shall not create any  
12 debt in excess of one percent of the  
13 total annual appropriation. No such  
14 law shall take effect and shall be  
15 submitted to people on a general  
16 election.  
17 Well, the Supreme Court ruled the  
18 teachers' pension bond at 2.8 billion, they refused  
19 to hear the case until after the bonds were sold.  
20 Then, when the case come back, they say, oh, we  
21 can't hear it now, it's a moot question, and the  
22 bonds were sold.  
23 The 8.6 school construction bond, I  
24 was part of that lawsuit that stopped the debt took  
25 place. I was shocked. The first time in my life I

130

1 attended a Supreme Court hearing; they wouldn't even  
2 let our attorney speak. He had a prepared speech,  
3 after three minutes, they interrupted him and all,  
4 and they ruled it can be done in violation of the  
5 state constitution.

6 The two-billion-dollar, this latest  
7 budget fiasco, this bonding. They ruled -- finally  
8 ruled it's unconstitutional, but they're going to  
9 allow it to happen. Now let me tell you something,  
10 that's like a judge saying, the guy that robbed your  
11 house is guilty, but we're going to let him keep the  
12 money because we don't want to upset his lifestyle.

13 (Laughter and applause)

14 MR. FRANTANTONI: If any of you  
15 members of this task force have any good conscience  
16 at all, on behalf of the taxpayers of New Jersey and  
17 our legislators sitting right here -- I know already  
18 Senator Lance has taken his position -- you will  
19 contact the Governor tonight and stop this bond sale  
20 on Wednesday because December is too late. We're  
21 going to have the same thing, it's a moot question.  
22 And next year, as has been previously  
23 stated, a four-billion-dollar hole is already  
24 created in this year's budget. So the heck with  
25 property tax relief next year.

131

1 In addition, there's -- the

2 constitution says:

3 No municipality may give its money or

4 aid or loan or security to any

5 corporation, stock, or bonds -- to any

6 corporation or any association.

7 Why is the City of Newark allowed to

8 build a stadium with money, the airport revenue,

9 which I pay, I just took an airplane trip? Those

10 fees went into that money. We've got right in front

11 of town hall, Broad Street in Newark, potholes

12 galore. And we're using that money for private

13 interests. Violation of the state constitution.

14 The other thing is, the Article XIII,

15 Section 3, Section -- Paragraph 1:

16 The Legislature shall provide -- the

17 Legislature shall provide for the

18 maintenance and support of a thorough

19 and efficient system of free public

20 schools for the instruction of all

21 children in the state between the ages

22 of five and eighteen years.

23 A few years ago, the Supreme Court

24 ruled that your preschools are for three to five-

25 year-olds. A violation of the state constitution.

132

1 Now there's many more, but I'll cut it

2 short right now. In Article III of the

3 constitution, it says "Distribution of Powers."

4 The powers of the government shall be

5 divided among the legislative,

6 executive, and judicial. No person or

7 persons belonging to or constituting

8 one branch shall exercise any of the

9 powers belonging to either of the

10 others.

11 Now the Legislature is the law-making

12 body; the executive is the law-enforcing body; and

13 the judicial is only the law-interpreting body. How

14 did they get away with ordering spending dollars,

15 which is the Legislature's function?

16 And so, to finalize this, because of

17 all these usurping of their powers, we'll then go to

18 the New Jersey Constitution and Article VI, Section

19 VI, Part 4, which says:

20 The Justices of the Supreme Court

21 shall be subject to impeachment.

22 The Legislature has neglected their

23 duties, and the Supreme Court has usurped their  
24 powers. So I am calling today for impeachment of  
25 the Supreme Court members who voted for these

133

1 unconstitutional acts and members of the Legislature

2 --

3 (Applause)

4 MR. FRANTANTONI: -- who rolled over

5 and refused to perform their duties.

6 But more importantly, I'm asking you

7 tonight, please contact the Governor. Wednesday

8 cannot -- those bonds cannot be allowed to be sold

9 on Wednesday. You people are influential people, or

10 you wouldn't be sitting up here. A phone call for

11 you -- I know some are too busy, like good President

12 Susan Cole, who I notice here, makes I think a

13 little more than the average thirty-thousand-dollar

14 salary, and it's noted on her resume in the Star

15 Ledger, tax-exempt. She's living on the government

16 school property, I guess, and all that.

17 But, please, like -- I'm redundant.

18 I'm asking you for the third time. Contact the

19 Governor, stop this illegal, unconstitutional bond

20 sale on Wednesday. Thank you.

21 (Applause)

22 MR. VAN HORN: Those liking -- wishing

23 to be heard -- yes, sir. Please identify yourself

24 and where you're from. Thank you.

25 REVEREND MORRIS: Thank you very much.

134

1 My name is Reverend Robert C. Morris, Jr., from East

2 Orange, New Jersey, I'm a chaplain for the Department

3 of Corrections in New York, and a volunteer chaplain

4 in the State of New Jersey for twenty-nine years.

5 And now, I almost lost my home due to

6 property taxes. God forbid, if you can't pay your

7 property taxes, someone will pay them for you, and

8 then harass you for two years to try and take your

9 home for you.

10 When we bought our home twenty years

11 ago, our property tax was \$900. They're now seventy

12 -- over \$7,500.

13 I was looking on the internet just

14 last week, and over ten percent of the people from

15 East Orange, New Jersey is either bankrupt or in

16 foreclosure. People are losing their homes as we

17 sit here. They don't know what to do about it.

18 I went to an executive at Fleet Bank.

19 She said, people are taking out loans on their homes  
20 to pay the back taxes. That is ludicrous, that you  
21 have to fight like the dickens to hold on to what  
22 you have paid twenty years to but.  
23 After that, East Orange now is number  
24 two in the State of New Jersey in property taxes.  
25 We just elected -- or they elected themselves, a new

135

1 administration, and the first thing they did was  
2 double their salary. They have two school projects  
3 going on in the city that have gone millions of  
4 dollars over budget. And what do they do? They  
5 just raise taxes. And it goes on. And the -- and  
6 the band plays on. And that's the situation as we  
7 sit here, in East Orange, New Jersey. Thank you  
8 very much.

9 MR. VAN HORN: Thank you, sir.

10 (Applause)

11 (Participants confer)

12 MR. VAN HORN: Is there anyone else  
13 that wishes to address the task force, that has not  
14 already done so? No. We have to -- we have to cut  
15 it off. Mr. Bebe, I appreciate hearing from you  
16 before, but -- is this a new speaker? Yes, sir.



17 Yeah, please come forward, identify yourself, and  
18 this will be the last speaker, and then we'll  
19 adjourn.  
20 MR. HEATH: Charles Heath from Glen  
21 Rock, New Jersey. I'd like to thank all the  
22 speakers today and the committee for the insight.  
23 I would like to suggest one thing. I  
24 believe you have one more -- two more meetings, one  
25 in --

136

1 MR. VAN HORN: Yes, sir. We have one  
2 on Wednesday at 7 -- from 7 to 9 in Mercer County,  
3 and in Camden County on the 19th, that is scheduled.  
4 We may have others at the pleasure of the task  
5 force.

6 MR. HEATH: Okay. Well, I would like  
7 to suggest that you hold one more in -- one more in  
8 Northern New Jersey, and perhaps make it in the  
9 evening. Thank you.

10 MR. VAN HORN: Thank you, sir.

11 (Applause)

12 MR. VAN HORN: Well, I -- yes, just  
13 Assemblyman O'Toole, would you like to make some  
14 remark?

15 ASSEMBLYMAN O'TOOLE: (Not recorded.)

16 MR. VAN HORN: You have to speak right

17 in --

18 ASSEMBLYMAN O'TOOLE: Chairman, I'd

19 just like to make a formal request to this task

20 force that we, under your signature, send a letter

21 to the Office of Legislative Services, to ask them

22 if they can officially provide us with staff member

23 or staff members to help expedite some of the

24 research and preparation for this very important

25 work.

137

1 And the second issue, Chair, is that I

2 understand a number of e-mails and correspondence

3 have been sent to this task force. I'm curious as

4 to how and when all the members will be given copies

5 of those pieces of correspondence.

6 MR. VAN HORN: As to the first point,

7 without objection, I would proceed to go ahead and

8 send that forward to OLS.

9 As to the second question you asked,

10 I'm advised by staff that the Governor's Office

11 staff is compiling that for people that collect

12 normal constituent correspondence, and that then

13 they will summarize that and forward it to all the  
14 members of the task force. Perhaps Mr. McBride can  
15 tell us exactly when, but I don't --  
16 MR. MC BRIDE: (Not adequately  
17 recorded) -- all the task force members is to give  
18 them first an idea of how much is coming in, and  
19 then general categories. And then, of course  
20 anybody can be free (inaudible) whenever they want.  
21 UNIDENTIFIED PARTICIPANT: Chair, at  
22 the appropriate time, I'd like to see that we can  
23 get exact copies of the e-mails and correspondence,  
24 as opposed to summaries. I want to see the  
25 unvarnished declarations from the members of the

138

1 public, and take in their input word for word.  
2 MR. VAN HORN: I'm sure that we can  
3 make that available for inspection. I'm not sure  
4 I'd want to promise copying to everyone every single  
5 correspondence, until I see what the volume is, but  
6 -- given that we have a limited budget.  
7 Well, thank you, ladies and gentlemen,  
8 for your patience, and I apologize for some of the  
9 misunderstandings today. Thank you very much for  
10 attending, and we stand adjourned until Wednesday.

11 (Applause)

12 UNIDENTIFIED: Can I make a

13 suggestion, maybe?

14 (Proceedings adjourned)

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139

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

2

3 I, Coleen Rand, do hereby certify that

4 the foregoing transcript of proceedings by the New

5 Jersey Property Tax Relief Task Force, recorded on

6 audiotape on October 4, 2004, is a true and accurate

7 non-compressed transcript of the proceedings to the

8 best of my knowledge and ability.

9

10

11

12 Coleen Rand AD/T 419 Date

13 For Guy Renzy & Associates

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