

PUBLIC HEARING

before

SENATE JUDICIARY COMMITTEE

on

SENATE CONCURRENT RESOLUTION NO. 5
(Senior Citizen Tax Deduction)

Held:
January 10, 1973
Assembly Chamber
State House
Trenton, New Jersey

MEMBER OF COMMITTEE PRESENT:

Senator Joseph C. Woodcock, Jr. (Chairman)

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SENATE CONCURRENT RESOLUTION No. 5

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1972 SESSION

By Senator SCHLUTER

A CONCURRENT RESOLUTION proposing to amend Article VIII, Section I, paragraph 4 of the Constitution of the State of New Jersey.

1 BE IT RESOLVED *by the Senate of the State of New Jersey (the*
2 *General Assembly concurring)*:

1 1. The following proposed amendment to the Constitution of the
2 State of New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article VIII, Section I, paragraph 4, to read as follows:

4 4. The Legislature may, from time to time, enact laws granting
5 an annual deduction from the amount of any tax bill for taxes on
6 the real property of any citizen and resident of this State of the age
7 of 65 or more years***[**, or 62 or more years of age in the case of a
8 single or widowed female citizen and resident,**]*** or under the
9 ***[ages]*** *age of* 65 ***[or 62 years, respectively,]*** and unable to
10 engage in any substantial gainful employment for health reasons
11 acceptable pursuant to the Federal Social Security Act for entitle-
12 ment to disability benefits thereunder, residing in a dwelling house
13 owned by him which is a constituent part of such real property but
14 no such deduction shall be in excess of \$160.00 and such deduction
15 shall be restricted to owners having an income not in excess of
16 \$5,000.00 per year exclusive of benefits under any one of the
16A following:

17 a. the Federal Social Security Act and all amendments and
18 supplements thereto;

19 b. any other program of the Federal Government or pur-
20 suant to any other Federal law which provides benefits in whole
21 or in part in lieu of benefits referred to in, or for persons
22 excluded from coverage under, a. hereof including but not
23 limited to the Federal Railroad Retirement Act and Federal
24 pension, disability and retirement programs; or

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

25 c. pension, disability or retirement programs of any state or
26 its political subdivisions, or agencies thereof, for persons not
27 covered under a. hereof;

28 provided, however, that the total amount of benefits to be allowed
29 exclusion by any owner under b. or c. hereof shall not be in excess
30 of the maximum amount of benefits payable to, and allowable for
31 exclusion by, an owner in similar circumstances under a. hereof.

32 Any such deduction when so granted by law shall be granted so
33 that it will not be in addition to any other deduction or exemption
34 to which the said citizen and resident may be entitled. The State
35 shall annually reimburse each taxing district in an amount equal to
36 $\frac{1}{2}$ of the tax loss to the district resulting from the allowance of tax
37 deductions pursuant to this paragraph.

1 2. When this proposed amendment to the Constitution is finally
2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,
3 it shall be submitted to the people at the next general election occur-
4 ring more than 3 months after such final agreement and shall be
5 published at least once in at least one newspaper of each county
6 designated by the President of the Senate and the Speaker of the
7 General Assembly and the Secretary of State, not less than 3 months
8 prior to said general election.

1 3. This proposed amendment to the Constitution shall be sub-
2 mitted to the people at said election in the following manner and
3 form:

4 There shall be printed on each official ballot to be used at such
5 general election, the following:

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

8 If you favor the proposition printed below make a cross (×),
9 plus (+) or check (√) in the square opposite the word "Yes." If
10 you are opposed thereto make a cross (×), plus (+) or check (√)
11 in the square opposite the word "No."

12 2. In every municipality the following question :

	Yes.	<p>SENIOR CITIZEN TAX DEDUCTION *[FOR SINGLE OR WIDOWED FEMALES AT AGE 62 AND]* FOR DISABLED PERSONS</p> <p>Shall the amendment of Article VIII, Section I, paragraph 4 of the Constitution of the State of New Jersey to authorize the granting of senior citizens' property tax deductions to</p>
	No.	<p>*[1.] single or widowed female citizens and residents of the age of 62 or more years, and]*</p> <p>*[2.]* citizens and residents under the *[respective]* age *[limits,]* who are unable to engage in any substantial gainful employment because of health reasons entitling them to social security disability benefits be approved?</p>

There is no question that the plight of the senior citizens in New Jersey is severe. They are often living on fixed incomes and must meet the inflationary costs of each succeeding year. The medicare program does provide some measure of assistance to those over 65 by absorbing a large portion of medical costs. New Jersey has often been described as the highest property tax state in the nation. Local levies have been increasing by more than 10% per year. Certainly, the \$160 tax credit does not compensate for all the additional hardships imposed upon our elderly. But this amount does go a long way toward alleviating a substantial amount of their economic suffering.

We have in the State of New Jersey another group of citizens who, like those over 65, are not in our State's work force. These are the persons who are totally disabled. Such persons under 65 who qualify for Social Security must bear even greater economic hardships than their senior counterparts. They cannot work to produce modest supplementary income.

SCR-5 would establish the same standards for eligibility with respect to gross income, Social Security and other pensions, residency, and home ownership. The amount of state contributions for disabled persons would be the same -- or 50%.

When viewing the plight of our unfortunate citizens who have been completely disabled, one can very readily say: "There but for the grace of God go I." Society - in this case the State of New Jersey - owes at least this much to the persons who would be covered by this legislation. Thank you.

SENATOR WOODCOCK: Thank you, Senator Schluter, for some very fine remarks with respect to this difficult problem.

I don't believe that I have any questions at this time but if you intend to stay for the remainder of the meeting you might want to sit up here with the Committee members, as they come in, and you might respond to any questions that someone else might have, or might be raised.

SENATOR SCHLUTER: Senator, I do have something else on my docket and I have to get going but I appreciate your invitation and I think the provisions of the bill are fairly clear.

I might add something which is obvious and that is, if persons who are totally disabled can't make ends meet and they do own their own homes, the next step they have to take is sell their homes and then, if times become even more difficult, they conceivably will have to get into the welfare programs and we certainly want to discourage that.

SENATOR WOODCOCK: Let me ask you this, Senator. There is a move - I don't know whether it has gotten as far as Mercer County - in Bergen County on behalf of the senior citizens. They are seeking a homestead exemption which would, rather than dealing with the

\$160 deduction off of the tax bill, exempt them from a portion of the tax and, in most instances, the one dealing with the school tax.

Now if we were to go into a homestead exemption do you feel that the disabled citizens in the State should be included on the same basis that the senior citizens are?

SENATOR SCHLUTER: Yes I do, Senator Woodcock, for the reasons put forth in my prepared testimony. I think they are out of the State's labor force. As a matter of fact they have greater costs in many cases than senior citizens and for these reasons I think they should be included in the same category as the senior citizen with respect to property tax relief.

SENATOR WOODCOCK: Thank you very much.

SENATOR SCHLUTER: Thank you.

SENATOR WOODCOCK: Is Senator Merlino in the Chamber? I don't see him here.

Is Senator Coffee here in the Chamber? I don't see Senator Coffee.

Is Anthony Barile, representing the Disabled American Veterans, present?

A N T H O N Y B A R I L E: Mr. Chairman, as the Commander for the Disabled American Veterans Department of New Jersey we concur wholeheartedly with Senate Concurrent Resolution No. 5, to include the disabled recipients of social security into this bill. But we are very disturbed that, when the bill was presented, the veteran again was forgotten. A veteran becomes a second-class citizen, according to Senate Resolution No. 5. A veteran loses his \$50 exemption when he becomes a senior citizen. We feel that he shouldn't be classified as a second-class citizen, he should receive the \$50 tax exemption that was granted to him by a grateful Legislature and he should also receive the \$160 which is granted to all senior

citizens.

At this time, since an amendment to Resolution No. 5 is being considered, we feel that the veteran tax exemption of \$50 should be included with the \$160 deduction on his property.

We know that you gentlemen will take this into consideration and I thank you very much for inviting me down here at this time.

SENATOR WOODCOCK: Just one question, what you are saying is that the disabled veteran would be entitled to \$210 in exemption?

MR. BARILE: That is correct, sir. At this time a veteran, or a disabled veteran, is allowed \$50 tax exemption on his personal property. When he becomes a senior citizen he is now granted a total of \$160 which includes the \$50 deduction which he already had.

Now a senior citizen that is not a veteran is also granted \$160 which gives a veteran a loss of \$50.

SENATOR WOODCOCK: Or he picks up \$110.

MR. BARILE: Well, he picks up \$110, where a senior citizen that is not a veteran picks up \$160. We feel that the \$50 was granted to the veteran at a time when the State felt that they were deserving of it. And in the bill, the way it reads right now, when they become a senior citizen, their veteran status is forgotten. They are just given \$110 where a normal, non-veteran, senior citizen is given \$160. We don't see the fairness or justification for this.

SENATOR WOODCOCK: Isn't it just a change in classification? They go from a classification as a veteran into a classification as a senior citizen, or if they are classified now as veterans, under this bill they would be classified as being disabled because they would be totally out of the work force. So, really, isn't the State, in that instance, conferring a benefit

upon them with no greater benefit than they are conferring on other people in a like situation?

MR. BARILE: When the State allows them the \$160 as a senior citizen, they are taking away a \$50 deduction which they already have, which means a non-veteran senior citizen is getting \$160 where a veteran is getting only \$110.

SENATOR WOODCOCK: Or, all senior citizens are being treated the same, regardless of whether or not they are veterans or non-veterans.

MR. BARILE: No, they are not being treated the same because you are taking away what is in the right hand to give them something in the left hand. We don't see the fairness of it and we feel that they are being discriminated against. Their veteran status and veteran rights are being taken away from them.

SENATOR WOODCOCK: Well, let me say I am a veteran. You and I might disagree as to whether any rights are being taken away, etc., but let me say that I am happy that you took time out to come down here this morning to express your views on the record and I am certain that the Judiciary Committee will take that under advisement when we meet to consider the Concurrent Resolution No. 5. Thank you very much.

MR. BARILE: Thank you very much.

SENATOR WOODCOCK: I see that Senator Merlino is in the Chamber. Senator, would you come forward, please.

SENATOR JOSEPH MERLINO: Good morning, Senator.

SENATOR WOODCOCK: I want to thank you for coming here today to address the Committee with respect to the Senate Concurrent Resolution No. 5. I know

we had a fairly full day yesterday so I want to say that I am happy that you could take time out to be here this morning.

SENATOR MERLINO: Thank you, Senator, and thank you for the opportunity. It was rather a selfish motive, on my part, that prompted me to be here. I have no prepared statement but, as you know, I am co-sponsor of SCR-5 and I urge, hopefully, that the Committee can see that the resolution is placed before the Legislature so that it will be in a position on the ballot this coming November, so that the public, in general, can voice their acceptance of it and its passage.

In comparing the disabled taxpayer with the senior citizen, of course, I agree with the senior citizens exemption and that which we have been able to enact increasing, or doubling, the exemption for them. But I find in the case of the disabled taxpayer that, perhaps, theirs is a more needy and a more deserving exemption. In fact, most senior citizens, having attained the magic age of retirement, of necessity, may have had an income up to that time and had some of the benefits of having a full and mature earning capacity up to the time of their retirement and, in many instances, their families are well beyond the protection of the home - that is, they are no longer dependent upon the parents. Whereas, in the case of the disabled taxpayer the financial situation is a little different.

This proposed amendment would, of course, take into consideration those who have not reached the age of retirement and, in many instances, they still have families to support and, having reached the point where they are now totally disabled, would not necessarily have been able to maintain that level of income that ordinarily they would have. So their financial situation is dimmer than that of the senior

citizen who normally reached his age of retirement.

Beyond the unusual medical expenses and family expenses, we all are aware of the continuing, no longer creeping, burden of real estate taxes but a rather jumping burden of real estate taxes and I believe that we have long overlooked the totally disabled taxpayer and I'd just like to say in closing that those who are hobbled by misfortune should not be crushed by taxation. With that, I certainly hope that we, in the Legislature, can do something to at least mitigate this burden.

SENATOR WOODCOCK: Thank you very much, Senator. I think that your remarks are well taken and I would join with you in hoping that the Committee and the Senate can act upon this in the very near future. Thank you very much.

SENATOR MERLINO: Thank you.

SENATOR WOODCOCK: Is Mr. Haines here, the Chairman of the Tax Study Committee of the New Jersey State League of Municipalities?

MARRIOTT G. HAINES: Good morning, Senator.

SENATOR WOODCOCK: Good morning.

MR. HAINES: My name is Marriott G. Haines, I am an assessor of taxes for the City of Vineland. I have been an assessor for 26 years. I am appearing here this morning as a member of the Tax Study Committee for the New Jersey State League of Municipalities.

We just received this bill Thursday night and haven't had time to prepare a formal statement, so any remarks that I am going to present here will be personal, based on my years of experience in this field and also the years that I have worked with the League on legislative tax matters.

SENATOR WOODCOCK: Excuse me just one moment, Mr. Haines. Let me say that if, between now and next week, there is a statement of your Committee that you would like to have incorporated in the record, I am

sure that we could do that for you.

MR. HAINES: Thank you very much.

Senator, throughout the years those of us who are on the administrative end of taxation have opposed exemptions for the simple reason that we are on the firing line. Down through the years, as the Legislature has seen fit to grant certain exemptions, we have seen our tax base continuously eroded away.

Using my taxing district as an example, we have approximately 70 square miles of territory with a total real property wealth of over \$400 million. Yet, today, one-quarter of that is exempt due to the various exempt statutes that have been enacted into law over a period of years.

Now this proposal, SCR-5, would further erode, not only the tax base in my taxing district but other taxing districts throughout the State. Like you, I am also a veteran. I think that our ex-servicemen should have every consideration. I regret that I can't agree with the proposal of one of the previous speakers this morning.

There are two or three things about this bill that we are afraid of. When I say we, I mean the tax assessors - there are some others here this morning who will testify a little later. We are afraid because of what we have seen happen, for example, with a bill that was enacted into law last year regarding the totally disabled veteran. This proposal has no limitations as to residential requirements.

If you will permit me to digress for just a minute I will explain to you what I mean. Under the Totally Disabled Act that went into effect last year, you probably will be amazed to learn that due to the fact that there were no restrictions, insofar as limitations were concerned, we have had totally disabled veterans come into the State of New Jersey, present their affidavits from the Veterans Administration in accordance with the

statute, and they say to us, "Mr. Assessor, if we meet the requirements and you will approve our application, this will help determine the size of residence that we are going to purchase."

Now, your SCR-5 has a loophole in that respect, in that you do not spell out any residential requirements or limitations and those of us who are charged with administering this have no alternative but to grant these reductions if they meet these liberal requirements.

Another point that I would like to emphasize is this, that by granting these tax deductions you continually shift an additional increased tax burden on our already overburdened homeowners. Here again, I must emphasize this because those of us who are on the administrative level are continuously confronted with this ever-increasing tax burden that has to be borne by our homeowners whenever an additional exemption is granted.

I had the pleasure of serving as a member of the New Jersey Tax Policy Committee. We worked for, as you know, nearly two years and nothing came forth from our efforts except a lot of printing material. We covered this very field in our studies and it was our conclusion, and I still agree with that conclusion, that this is not the proper way to grant a disabled citizen relief. If the Legislature wants to give the disabled person some relief, it should not be through a real estate tax exemption. It is my feeling that, if the State wants to grant some relief along this line, legislation should be enacted so that the State would pick up the entire cost rather than the homeowners, as is suggested in this proposal. Of course, if a \$160 deduction is granted, the State would reimburse the municipalities for one-half of it. But, still, the other half will be picked up by real estate

owners.

One other point that I would like to bring to your attention is that we have a lot of disabled persons who are tenants in this State. They have to provide some means of paying their rent and there is no provision in SCR-5 to take care of the tenant. The proposal, as submitted, with all due respects to my good friend, Senator Schluter, discriminates against the tenants. I want to bring that to your attention.

I think there are some other points that some of my cohorts here would like to stress. I don't want to take up any more of your time and I can assure you that just as soon as we have time, if we can, we will prepare a formal statement. Thank you very much.

SENATOR WOODCOCK: Thank you, Mr. Haines.

There are a couple of questions that I'd like to address to you. I understand the administrative problem and I think you appreciate the problem that the State has. Now if we are going to pick up the cost of all exemptions on real property, what would that cost the State, do you know?

MR. HAINES: Insofar as disabled persons are concerned?

SENATOR WOODCOCK: I thought you were addressing yourself to the entire problem of senior citizen exemptions, veterans exemptions and disabled persons.

MR. HAINES: No. I was just referring to this particular proposal because I thought that was what you were going to limit your considerations to this morning.

SENATOR WOODCOCK: No. In your remarks, you said if the State was going to -- I thought your report indicated that this was an improper way to give tax relief; that it might best be done by the State paying for it,

if they want to do it.

MR. HAINES: I have a figure here.

SENATOR WOODCOCK: The State ought to do it.

MR. HAINES: The senior citizens tax deductions cost us about \$12 million annually, the veterans tax deductions cost \$22 million annually. Now this does not include the Viet Nam veterans that are now coming on the tax rolls for the first time as a result of legislation approved in 1972.

SENATOR WOODCOCK: So that would be in the area of \$34 million. Now this is \$34 million paid by the municipalities?

MR. HAINES: No, that \$34 million is the total, one-half of which is reimbursed by the State to the municipalities.

SENATOR WOODCOCK: So that would mean that the State would have to come up with \$17 million in order to take care of the programs they are currently allowing exemptions on, plus the disabled. The question would then be, where would the State get the money?

MR. HAINES: You had a proposal before you last year on that.

SENATOR WOODCOCK: I understand. That is the point I want to make, that SCR-5 is directed towards granting tax relief.

MR. HAINES: Just for a certain class of citizens.

SENATOR WOODCOCK: Well, it is for the person who-- You say that it shifts the burden to the homeowner?

MR. HAINES: Right.

SENATOR WOODCOCK: What we are trying to do is to shift the burden, or that extreme burden, of real property taxes away from disabled people who, because of no fault of their own, are unable to carry that great a burden. I think that as Senator Schluter and Senator Merlino pointed out, if these people are,

because of the real property tax, forced to sell their homes, the next step is that they are going to wind up on the public welfare rolls or in some other public housing, or something else, and, really, the aim is to prevent that from happening.

I would agree with you that there might be better ways to do it but when we consider the situation we find ourselves in, the only way that we can give relief to that class of people who need it is through this method. I don't know how we are going to be able to do it in any other way, unless we change the tax base.

MR. HAINES: I think that is what we should certainly be considering before we grant any more exemptions, Senator.

SENATOR WOODCOCK: Well, I think that it points up again - and I think that you would agree with me - since we are forced into situations of granting tax exemptions in this fashion, the great hodgepodge of a tax scheme we have here in the State of New Jersey. If we are ever going to do anything, we had better address ourselves to straightening that out. Perhaps this only adds to that hodgepodge, I don't know.

MR. HAINES: That is my thinking, that it does.

SENATOR WOODCOCK: I would also say I was interested in your remarks with respect to the limitation on residential requirements and I would agree with you on that. I think that there ought to be a residential requirement. We don't want this to be the State where everybody runs to get under an "umbrella."

MR. HAINES: That's what they are doing.

SENATOR WOODCOCK: Certainly I think that we have an obligation to those people who are in this State who have paid their taxes over a number of years and now find themselves in difficult positions. But I would agree with you on that.

Let me ask you this, what limitation would you have on the residential requirements?

MR. HAINES: I would suggest that it be limited to residents of the State of New Jersey who were bona fide residents at the time they became disabled. I am sorry that we didn't have a similar restriction in the Totally Disabled Veteran legislation because we are having persons crossing the State line to take advantage of our legislation in this respect, as soon as they meet the residency requirement.

SENATOR WOODCOCK: I also think, certainly, your remark concerning the disabled tenant needs some attention. Of course the problem is that we are dealing basically with real property exemptions so we could not include them, I don't believe, in this Resolution. But I do think that your point is well taken. If we are talking about people's inability to pay real property taxes then we ought to also consider those tenants who are disabled, who, by indirection, pay their real property taxes in the form of rents.

Thank you very much, Mr. Haines. I think you have given the Committee something to think about and I am certain that they will take your remarks into consideration when they put this in final form.

MR. HAINES: Thank you.

SENATOR WOODCOCK: We also have Mr. Salmon and Mr. Reeves of the Municipal Assessors Association here. Mr. Salmon and Mr. Reeves want to address the Committee. You may speak one at a time or both together, either way.

W A L T E R S A L M O N: Good morning, sir. My name is Walter Salmon. I am the president of the Assessors Association of the State of New Jersey. I have served as an assessor in the State of New Jersey, in two municipalities, over the past, almost, 12 years.

My remarks this morning are not necessarily

those of the whole Association for the very reason that we did not have an opportunity to get the Association together, or the Executive Committee together, to discuss the bill.

However, I think that in talking to many of the former officers and presidents of the Association, what I am saying here will concur with their thinking as well as ~~the~~ remarks that Mr. Haines has just made.

I do not have a prepared text, however, I will read what I do have. The senior citizens acts are generally well-meaning and humanitarian in their intent. None of us would deny these worthy citizens of any opportunity to stretch the already shrunken retirement dollar. Up to date, there have been literally dozens of bills introduced to give the senior citizen financial relief, most of which have been defeated because of the shift of the tax burden to other senior citizens in the form of increased rents. This is a form of discrimination against the non-property owning senior citizen.

The broad aspects of SCR-5 does not make a provision for the responsibility of any medical reports, physician's certificate, or other certification to validate a social security disability. There are no statements of what constitutes a disability. For instance, the disability of a 55 year old construction worker who may be eligible for social security benefits does not mean that he is unemployable.

SCR-5 is no different in its effect on the already eroded tax base than the recent veteran's disability act or the inclusion of all armed forces service personnel regardless of their place of entry or place of service. The disabled veteran today, under the new act, pays no taxes, regardless of his age. The remark was made sometime back by the gentleman representing the Disabled Veterans that they should be included in the bill. They

already have a bill taking care of them in a different way.

Of further concern is the opening of a Pandora's Box to allow the tax reduction for federal disability payments, railroad and/or public transport disability, or any other disabilities that may be injected.

Over the years we have been faced with - the assessors have been faced with - the administration of exempt properties and it seems that everytime a bill comes out there is no definition of what any particular provision of the bill might be. Some years ago I appeared here during the tax reform sessions on exemptions. I covered everything from veterans to churches and open land - the farmland exemptions - and everything else. But the administration of the bill is very difficult for the assessors. We feel too that the further exemptions are only going to increase taxes rather than to help the people it is intended to help.

The discrimination part of the bill is that senior citizens, living in apartments, are not getting any benefit from this act at all, although the eventual increase in taxes on an apartment complex indicates that those rents will be increased. I happen to be well over 65 myself. Fortunately I am in good health but I would like to see some consideration made, if a bill is made at all, to spread the exemption, or concern, for the senior citizen.

I agree again with what Mr. Haines said, that if the continued exemptions on real property are made, it shouldn't be borne by the owners who are not senior citizens. The State should pick up the bill if they want this type of exemption. It seems they can pick up money to help the railroads, to help mass transportation, they can pick up additional monies for additional highways but when it comes to a socio-economic thing like this, the State doesn't want to even bother about it. They wash their hands and say,

"we don't have the money." This, I think, is a fallacy. If it is important enough to make legislation to shift the burden to everyone else, in addition to the taxes that are being used to subsidize other industrials, then I think that the State should put itself in a position to help the senior citizen and the disabled.

One final comment and then I will turn the time over to Mr. Reeves who is the Legislative Chairman of the State Association of Assessors.

Whenever there is a reduction in the tax base through added benefits to veterans, senior citizens, or farmland, it is only the assessor who is roundly criticized in the press and no one else. Everytime there is a change in the tax base, a change of exemptions, we are the ones who get the blame for it. I think that this, in itself, is something that should be publicized; that it is not the doing of the assessors but of the Legislature. Mr. Reeves will now speak.

SENATOR WOODCOCK: Before we hear from Mr. Reeves, I think we ought to address ourselves to your remarks. Number one, I don't know that the blame has ever been placed on the assessors for tax exemptions that the State of New Jersey, through the Legislature and the government, has granted. I don't know if that is true but if it is then I will take whatever responsibility I have for these exemptions. But the point that I would like you to address yourself to is how are we going to give any kind of tax relief to senior citizens and disabled people, who are unable to meet the rising real property tax, unless we do it in this fashion, considering the limited tax base that we have here in the State of New Jersey?

MR. SALMON: I don't see how you can. You can't give any relief to anyone without pushing the burden of the tax on to someone else. If you are hunting for a formula to administer such a thing then I would say

that one of the things that Mr. Haines mentioned was the residency requirement. What is the disability? Is it, say total disability? It doesn't spell it out as total. What is total disability?

We are faced with a situation right now - and Mr. Reeves can verify this and I can in my own municipality - where we are granting total disability to veterans who are driving cars making \$35 thousand a year, but so what? It is total disability in someone's eyes. I don't think that they spell it out very clearly.

SENATOR WOODCOCK: Let me say this. The proposed amendment to the Constitution says that the Legislature may, from time to time, enact laws granting an annual deduction from the amount of any tax bill, for taxes on real property, of any citizen and resident of this State, age 65 or more years or under age 65. . . This is the new amendment.

MR. SALMON: Right.

SENATOR WOODCOCK: . . .and unable to engage in any substantial gainful employment for health reasons acceptable pursuant to the Federal Social Security Act, for entitlement to disability benefits thereunder. The point is that I think there are two real qualifications there. As I read this, there will be a law. In other words, this only enables us to enact that legislation. We will enact the law and set up the standards. That is the first qualification. We have that controlled.

Number two is that we get in under the Federal Social Security Act. They are, in fact, disabled under that act and receiving benefits and they are unable to engage in any substantial gainful employment.

Now I think there are enough limitations in there so that we can draw a bill that can take care of the things that you and Mr. Haines have discussed. I think that they ought to be taken care of. I think we ought

to have a residence requirement. I don't think there is any question about that. If there is any question with respect to that then I think the Constitution ought to read that way, if there is a limitation on our ability to pass that kind of a law to control it.

But I do think that the problem we find ourselves in is that the senior citizens and people who are disabled who do not share in many of the municipal services - the prime one being schools. They have already paid for whatever kids they have that went through school, they paid that years ago. Now because the taxes rise, because the community is still supplying those services - - I am not saying that they shouldn't supply them, I think it is the responsibility of the State and the responsibility of the municipalities, to supply quality education for all children. - But the point that I am making to you is that I think that these people, because of the circumstances they find themselves in - and we are talking about people who have income not in excess of \$5,000 a year - they need relief.

Now, again, I would agree with Mr. Haines' remarks that we have a hodgepodge here, but you know when somebody is out in the middle of the river and they are drowning you can't wait around until you build a boat; you have to throw them a life preserver now. That is why I think that this Senate Concurrent Resolution is important. I don't know how they are going to possibly continue to live in the communities that they are living in unless the municipalities and the States allow this kind of a deduction.

Let me say that I recognize the administrative problem that the assessors have.

MR. SALMON: I have no further comments, let me turn it over to Mr. Reeves.

SENATOR WOODCOCK: Right. Thank you very much, Mr. Salmon.

A. J A M E S R E E V E S: Good morning, Senator. My name is A. James Reeves and I am a tax assessor in the town of Cinnaminson and have been for 20 years. I have also been active in the State Association.

Again, there will be some reiteration of remarks already made. I have nothing prepared. We received the bill late last week and we tried to put something together but did not have time to do so.

I would have to go along with the remarks that have previously been made on making requirements a part of the legislation. I think we are all aware, and I am sure that you are aware, that the original Senior Citizens Act required a three-year residency prior to being eligible for the senior citizens deduction. Legislation reduced this requirement from three years to one year. We can find nothing at the present time in this bill requiring any residency requirement. In other words, as we look at the bill at the moment, a disabled person could purchase a house on October 1st of a pre-tax year, if this were to become law, and be eligible for the \$160 in the following tax year.

We also saw, in our first senior citizen legislation, that they eliminated the benefits as applied to income - the social security benefits - and then the bill was amended to include the Federal, railroad, municipal, county, and State pension systems, up to the maximum allowable under social security. We see nothing at this particular time relative to the people who would be getting disability under those programs which, I think, broadens - at least at the moment, from what we can read in the intent of the bill - those that are qualified under the disability clause of the Social Security Act.

Thirdly, I heard nothing said here today that would tell us what the cost of this program might be. I had hoped that Senator Schluter would remain and give us that information. I made a very cursory

investigation yesterday of who possibly might be eligible under this act. The understanding at the moment is - from the Bristol, Pennsylvania office of Social Security - that, as of December 31, 1971, there were 50 thousand people in the State of New Jersey receiving disability benefits under Social Security. We have no way to refine this at the moment as to whether they are single, whether they are property owners or whether they are renters, or who they might be. But let's take it at its face value. We are talking about \$8 million of tax money, 50% of which, if it were to become law, would be refunded to the municipalities by the State and 50% would be shifted to the tax burden of the municipality.

I'd like to refer now to your little conversation with Mr. Salmon about who picks it up. I am just old-fashioned enough to believe that somebody pays the bill and I am one of the guys, if I live in the State of New Jersey, that helps pay the bill. If you refer to the State Tax Policy Commission Report, in my opinion one of the reasons it went down is the fact that the statement in there is that the expenditure of government is \$1.50 for every \$1.00 that is taken in. We continually shift this thing and we are playing with figures. We are talking \$8 million no matter how you cut it, at this particular point, if these 50 thousand were eligible under the terms of the bill.

As you said before, "who picks it up?" Either you put it on the property tax -- Here again the senior citizen really doesn't get the \$160 over the aid we give because part of this is the tax structure on his property that he owns.

Leaving that, there is no provision in the law that we have under the present Senior Citizens Act, stating where the property is sold within the tax year that the exemption ceases and the municipality collects. There is nothing that we can read in the legislation that closes this possibility.

Again, I would have to come to medical criteria. Very generally, I have no idea at all what the medical requirements for disability are under social security. If this were to become legislation, as far as a tax administrator is concerned at this point, I would certainly request that the Legislature write into the bill those medical criteria that qualifies them under the statute. This is one of the problems that we are confronted with.

I'd like to close my remarks, Senator, with a thank you for the opportunity to come today. I think that we now have a social problem. In my opinion, we cannot correct this social problem by giving a tax relief, or a tax deduction, or by shifting the burden of taxation; I think there has to be another way. I know if it goes to the State they are going to pick it up and somebody is going to pay the bill. I think the taxpayer himself, somewhere along the line, is going to have to do it. I don't know where these things go. These programs expand. The evidence of income is not meeting these demands and it seems at the moment, anyway, that the only way to do it is to shift it on to the real property owner. At the present time, under our present tax structure, there doesn't seem to be any other way to do it. This we would have to oppose.

SENATOR WOODCOCK: Mr. Reeves, again, I would ~~say that~~ if your Association has any remarks that they feel they have not had an opportunity to make here today, if you can send them to the Committee we will certainly see to it that they are incorporated into the minutes of this hearing. Let me say that I am certain we all appreciate the problems, not only of the assessors but of the municipalities, who are faced with the rising rates and eroding tax base. But I think that you put your finger on it when you said that under our present

tax structure there are few places that you can get it except from the real property taxpayer. I think it also points up the problem that the senior citizen and the disabled face; they happen to be the real property taxpayers and they are called upon to pay these increases at, what they consider to be, an alarming rate of increase. Much of the tax increase is based upon, or are in the areas of and for, services that they don't have any use for, and probably have paid for many years before. So I think - and I am certain that your Association understands their problem and their plight - that we, hopefully, can address ourselves to the whole problem of the tax structure here in New Jersey. I think that anybody that knows anything about it understands that it is completely out of whack.

MR. REEVES: Can I make one observation? Let's talk about abuses. The intent of the act, most acts, is to benefit the people. For instance, we are now talking about extending a \$160 possible property relief tax. We find in municipalities - and this is true all over the State but I can speak only of my own municipality - where you now have, under the law, and perfectly legitimate under the terms of the statute, children who own the property entering into a joint deed with their mother - I am talking about properties in the \$35 to \$40 thousand category - and because of the nature of the legislation, and the lack of certain criteria under the present legislation, they can live in very substantial housing and receive the benefit of the \$160, which I don't think they are really entitled to.

Again, we are moving now down the road, with SCR-5, into a type of thing where you might well find that the disabled individual might also be sharing housing with somebody, as part of a joint deed. It is totally within the statutory requirements but I don't think the law intended it to be this way. These are the

kinds of things that, as administrators, we are confronted with and I think it is an abuse of the intent of the law. I think that somewhere we have to close these doors. It is always difficult to close the doors but I think we have to close them before we have the legislation or it will be a rather difficult thing to do.

SENATOR WOODCOCK: Again, Mr. Reeves, I agree with that remark because I am familiar with that abuse and I would only ask that if your Association would be good enough to point out in what regard the intent of the legislation is not reached because of these abuses, I think that maybe we can get some legislation that can correct, at least, the more obvious abuses. I would agree with you that there have been transfers to a mother or father from a son or daughter for the purpose of coming under this tax benefit.

MR. REEVES: Just to get the benefit of a tax deduction, right.

I would have to go along with you, sir. I have other thoughts. I don't want to belabor the question. Rather than get involved in things like this my own preference would be that if the burden of the tax problem at the local level with the senior citizen - and all of us I guess, but the senior citizen in particular - is the school tax, then I think if we could have a Constitutional provision where at age 65 they be relieved of the debt of the school burden we would solve the problem, at least in my own opinion, of going all around the situation to alleviate it. If it takes a Constitutional Amendment to do it then let's do it. But we are talking Constitutional Amendments on the thing that is only going to operate for a certain small segment of the population. I would rather see a senior citizen act for everybody rather than discriminate against somebody because he makes \$5,001, whereas the person who makes \$4,999 will get an exemption. This is, to me, rather ridiculous.

This individual who earns \$5,001 may have a medical bill that will consume half his income whereas the man who earns \$4,999 a year has no medical bills. So, this is a real difficult problem.

In my own experience, in talking with the older people in my town, the school tax is the problem; it is 60% to 70% of the tax bill. If a Constitutional provision would grant, under certain very stringent restrictions, in my opinion, the relief to the senior citizen, residing in a house, of the school burden then I think we will have solved a great portion of the problem.

SENATOR WOODCOCK: Let me say, Mr. Reeves, you might be suggesting a better answer and maybe we can get to that resolution before this legislature goes out this year.

Again, gentlemen, I want to thank you for coming down here today. I think that your remarks have been well made and I am sure that the Committee will review them very carefully.

MR. REEVES: Thank you, sir.

MR. SALMON: One comment. Supposing that this legislation is passed, is there a possibility that some of the knowledgeable assessors will be able to discuss some of the provisions of a bill that might be proposed?

SENATOR WOODCOCK: Oh, yes, again I think that if your Committee could address itself to that, even now, just to run up a red flag as to where you think we ought to avoid certain pitfalls, that would be very helpful to anybody who is going to draft it.

MR. SALMON: In the drafting of the bill, there are some very knowledgeable assessors all over the State . . .

SENATOR WOODCOCK: There is no question about that.

MR. SALMON: . . . who would be willing to give their time.

SENATOR WOODCOCK: I am sure you could tell us a

lot of things that would prevent some of the abuses Mr. Reeves was talking about.

MR. SALMON: Oh, they are widespread, believe me.

SENATOR WOODCOCK: Well, I think that we ought to address ourselves to them and see if we can't cure those that are already in existence.

MR. SALMON: Thank you very much.

SENATOR WOODCOCK: Thank you, sir.

Is Mr. Maguire, the Tax Collector of Hamilton Township here?

H U G H W. M A G U I R E, J R.: Senator Woodcock, good morning to you. I am tax collector of the Township of Hamilton in Mercer County with approximately 92 thousand population. I am also Vice President of the New Jersey Council of Senior Citizens.

I have a statement from Jack Volosion, our Executive Secretary, and I would like to read it into the record, concerning Senate bill SCR5.

Mr. Chairman, the Executive Secretary of the New Jersey Council of Senior Citizens which includes among its affiliates, "D.A.T.A." - Disabled American Taxpayers Association of New Jersey, Inc.

The New Jersey Council of Senior Citizens is vitally concerned with those of our citizens who are disabled. These men and women are eligible for Social Security because of their disability, and they are outside the normal work force, unable to augment these benefits by casual employment - the total being \$2,100 - as permitted by present Social Security legislation.

The Congress is to be commended for finally eliminating a long-standing inequity by granting the disabled coverage under Medicare. It is quite evident that persons in the disabled category face greater economic challenges than any other segment of our society.

The New Jersey Legislature has an opportunity by passage of "Senate bill SCR5" to effectuate real estate tax relief on the dwelling of persons who are retired or unable to work by reason of disability.

The New Jersey Council of Senior Citizens urges passage of SCR5 and respectfully requests support for this legislation.

I would like to digress for a moment, Mr. Chairman. As Tax Collector in Hamilton Township, I have been in the tax office for close to 30 years. I also, as Chairman of the Council of Senior Citizens - within our municipality we have approximately 22 thousand members with 16 clubs and D.A.T.A. is associated with us in Hamilton Township - would like to point out what a wonderful State we do have when one man, Mr. Harry Miller, founded this D.A.T.A. and has brought it along this far. He should be commended.

I would like to point out some statistics, as briefly as I can. The average income per year of a totally disabled person in New Jersey, under 65 years of age, is estimated to be about \$3,500 per year. I must concur with you, Mr. Chairman, that these people would have to resort to some welfare, or become recipients of some welfare, if we don't do something about them. Their medical expenses average about \$40 per month, per person. Their property taxes average over \$700 per year, per property. The average mortgages on properties being purchased by totally disabled persons is over \$7,000 per mortgage. And this is important, approximately 80% of the totally disabled, under 65 years of age, are property owners. As of 1971, there were approximately 65,000 totally disabled persons between the ages of 18 and 65 in the State of New Jersey. There were 46,000 such persons receiving social security disability benefits. These figures can be raised at least by 5,000 in each category since the year 1971.

The cost to the State for such a tax relief

program would be less than \$10 million annually, a nominal and insignificant amount. The figures on the numbers of disabled and the numbers on social security are furnished by a survey and a report conducted and presented by Rutgers University, from the Social Security Administration.

Other figures are derived from a polling of the D.A.T.A. membership by confidential questionnaire taken in December of 1971. Based on an estimated 50 thousand totally disabled, under 65, receiving social security disability - of which 80% are property owners, or 40 thousand granted a \$160 property tax deduction - the overall cost would be approximately six million four hundred thousand dollars per year. Hopefully - and perhaps this is wishful thinking - a portion of the federal revenue sharing funds might be dedicated for this purpose, Mr. Chairman.

SENATOR WOODCOCK: Mr. Maguire, I want to thank you very much for coming here today in your dual capacity and I want to say that we certainly appreciate the fact that you were able to let us have the benefit of your statistics with respect to the disabled people here in the State of New Jersey. I am sure that the record will reflect that it will be very helpful in our deliberations on this resolution.

MR. MAGUIRE: Thank you so much, Mr. Chairman.

SENATOR WOODCOCK: Thank you.

Mr. Harry B. Miller, President of the Disabled American Taxpayers Association.

H A R R Y B. M I L L E R: Good morning, Senator. I must preface my prepared statement by making a statement which is not included, to the effect that I am amazed by some of the information that was presented here today and I believe some of the information is a misinterpretation of the situation.

Too much emphasis, I believe, has been placed

on discussing the senior citizens, which is really not the topic that brought us here this morning.

I can understand the position of the assessors, etc., but by the same token my taxes continue to rise without the benefits of all these programs which they claim would cost the State or the municipalities too much money.

I have here a prepared statement.

Distinguished members of the New Jersey Senate Judiciary Committee, I appear before you on behalf of all the totally disabled resident property owners of New Jersey under 65 years of age. More specifically, as President of the Disabled American Taxpayers Association of New Jersey, Inc., with members from all the state's twenty-one counties.

For two years we have endeavored to have property tax relief enacted to alleviate the dire plight of these persons.

In the Spring of 1971 we appeared before the Assembly Taxation Committee to plead our case and were informed to await the results of proposed tax reform legislation.

In June 1972, we appeared before the Tax Reform Legislative Committee, in this very chamber, at an open hearing to seek a favorable response from the Committee. Fortunately, but which later proved fruitless, we were included in the proposed tax reform legislation. Said reform legislation was subsequently defeated by the State Assembly in July 1972. We are still awaiting a favorable response from our compassionate legislators.

There is no equity in legislation which provides tax relief to our senior citizens but by the same token excludes from such relief our totally disabled citizens.

One must remember this category of our population can, in no way, supplement their incomes and still retain their right to social security disability benefits.

The senior citizens may supplement their incomes under the new law by \$2,100 annually.

The average income, per year, for a totally disabled person, under 65 years of age, is estimated to be about \$3,500. Medical expenses average about \$40 per month, per person and property taxes average over \$700 per year, per property. The average mortgages on properties being purchased by totally disabled persons is over \$7,000 per mortgage. Approximately 80% of the totally disabled, under 65 years of age, are property owners. As of 1971 there were 65,000 totally disabled persons between the ages of 18 and 65 in New Jersey. Of this, about 46,000 were receiving social security disability benefits. These figures can be raised at least by 5,000 in each category since 1971. Authority for these statistics on the number of totally disabled and the number on social security provided by a report and survey by Rutgers University and from the Social Security Administration.

Note, all facts enumerated above pertain solely to residents of New Jersey totally disabled, unable to engage in gainful employment, including homemaking, due to their physical or mental disability, property owners and under 65 years of age.

The cost to the State, for such a program, should be less than \$10 million annually, a nominal and insignificant amount compared to monies spent for other programs.

It is hoped that future legislation beneficial to the senior citizens would also include those persons totally disabled, under 65 years of age.

Let it not be said that New Jersey has turned its head and closed its ears on a segment of the population who, through no fault of their own, are compelled to struggle through life in a state of severe disability, frustration and despair. Their only recourse is to appeal to the compassionate and logical thinking of our State

Legislators in this, their greatest hour of need.

The Committee, in all fairness to humanity, cannot turn away their plea or close their ears to the cries for equitable and just legislation.

We ask you to react favorably in your decision in reference to Senate bill, SCR5. All that we ask is the bill in question be permitted to be voted upon by your colleagues in the New Jersey State Senate.

We thank you for your undivided attention in hearing our testimony and may God bless you and guide you in the New Year.

SENATOR WOODCOCK: Thank you very much, Mr. Miller for taking time out to come down to address the Committee on this very important piece of legislation. I am certain that in the coming month, I believe, the Senate will be considering this measure.

MR. MILLER: Thank you, Mr. Chairman.

SENATOR WOODCOCK: Mr. Frank Haines, New Jersey Taxpayers Association.

F R A N K H A I N E S: Good morning, Senator. My name is Frank Haines, I am the Executive Director of the New Jersey Taxpayers Association which is a non-profit, non-partisan, governmental research organization with offices at 104 North Broad Street, Trenton, New Jersey.

This concurrent resolution would amend Article VIII, Section I, paragraph 4, to expand the annual \$160 property tax deduction to certain disabled citizens over or under age 65.

If enacted and approved by voters this would be the fourth amendment to this section and paragraph of the Constitution since 1963.

In 1971, NJTA presented a statement on a previous amendment to this section which involved the income limits to qualify for the deduction. Opposition was based on the principle that "complex amendatory material should not be included in a State Constitution."

Because this section is certain to be subjected to numerous proposals for change until a new senior citizens property tax relief program linked to a personal income tax can be enacted, such as proposed last year by the Governor's Tax Policy Committee, NJTA again urges that in place of frequent often detailed Constitutional changes, the Legislature consider an amendment which is a broad grant of power to the Legislature to enact deductions.

A broad Constitutional approach is much simpler than the present approach of frequently adding complicated details and having a referendum each time qualification provisions are changed. Under NJTA's proposal, details would be left to statutory enactment which is speedier and less costly than resort to frequent statewide public referenda.

In addition to the plea for limiting referenda on this Section - we would just like to point out that these are things that I think have already been brought out in earlier testimony this morning - attention is called to the fact that the present proposal does nothing to change discrimination against non-property owning senior or disabled citizens whose need may be as great as those who own property. Further, the proposed amendment will, as was already pointed out, increase both local and State costs since the State would continue to pay one-half the cost, and, further, would shift the tax burden from one group of taxpayers to another.

There is one little technical point I would like to point out and that is the question of whether the language of the ballot question on page 3 of the bill is intended to include an age figure. There doesn't seem to be one and, whether it was intended to be 65 or whether it is blank, it is sort of vague and we wondered whether it is as clear as it is intended to be.

In summary, we are not taking a position today on the amendment itself, only on the method being employed

to accomplish it.

Thank you for the opportunity to present this statement to you.

SENATOR WOODCOCK: Thank you very much, Mr. Haines for your remarks and, as I said to the other gentlemen who testified here this morning, I am certain that the Committee will benefit by the points that you have raised. I think certainly - let's say this is a personal feeling - that it is a lot better to give a general grant of power to the Legislature to grant these exemptions rather than to do it in almost a patch quilt fashion because you do run into a lot of difficulties later on, trying to determine what we really intended and what we should be aiming at.

So, again, let me say I am sure they will look at this and take it into consideration. Thank you very much, sir.

Is there anyone else that would like to address the Judiciary Committee on this subject?

D R. J O H N N A G Y: I am Dr. John Nagy, representing the Mercer County Senior Citizen Council.

Senator Woodcock, instead of submitting written text, I'd like to throw some light on our opinion of this question.

In my mind the whole question revolves around helping senior citizens, helping in a financial way those who need it.

If sometimes the Legislature uses discrimination, it has to be discrimination on the plus side, not minus. With your permission, I'd like to give an example. Mrs. John Doe is a widow, over 65. She gets \$150 in social security. She has a little house with a market value of \$9,000 or \$10,000, nothing else. On the other hand, there is Mr. Edgar Doe who is also 65 years old but who has, besides his social security, a very large amount of income from securities and in interest from

his bank account. Those two extremes exemplify where the need is.

Mr. Edgar Doe doesn't need help, financial help. At the same time, Mrs. John Doe does.

My Council, which is a top organization of Mercer County senior citizen clubs thinks, in this way, we need help and we ask for your understanding.

I have to confess I was very deeply moved, Senator, at the consideration you just recently expressed and I do hope that the Legislature will move in this way. Thank you very much, Senator.

SENATOR WOODCOCK: Thank you very much, sir, for coming here this morning.

I see Senator Coffee has come into the chambers. Senator, we have you on the list. It is always nice to see you again.

SENATOR RICHARD J. COFFEE: It is nice to see you again, Senator Woodcock. You were one of my favorite Senators during my tenure in the State Legislature. You look a bit lonely today sitting up there by yourself and it is a little bit sad that some of your colleagues didn't see fit to join with you in this very important public hearing.

I am Richard J. Coffee of Mercer County. I am a former State Senator and for many years, but more particularly during my 4 years as a State Senator representing Mercer County, I was very much interested in all matters pertaining to senior citizens. As a matter of fact, I introduced quite a bit of legislation in an effort to solve some of the problems of our elderly population here in the State of New Jersey.

I'd like to begin, Senator, by making an observation and I can make it as a lay person, as someone not now in public office. I feel that many people, when referring to Senate Concurrent Resolution No. 5, even as late as the last few days - in my case as recently as

yesterday - were under the impression that we were still talking about the original version of this resolution, without the amendment which has deleted the section which calls for the reduction in age to 62 for a female, single or widowed person.

I know from telephone conversations that I had yesterday with three, four, or more people that they were unaware that this amendment had been made. I for one think that the amendment is unfortunate. I will discuss that further.

Back in 1969 I had introduced Senate Concurrent Resolution No. 53, which was somewhat similar to this current resolution that we are discussing here this morning.

I did not refer at that time to exemptions for health reasons for people, whether they were over 65 or under 65, but I think it was the first proposal, to my knowledge, that called for a reduction in age for single or widowed females to age 62 and over, rather than age 65.

I wholeheartedly agree with the basic purpose of Senate Concurrent Resolution No. 53, and particularly as it pertains to disabled persons under the age of 65.

I would like to register my personal objection to the deletion of the section calling for reduction to age 62 or over for females. I feel strongly that that should remain in the resolution and that is the amendment that should be made to the Constitution of the State.

There are many statistics and figures available and perhaps your Committee is aware of some of them. But I would like to - even if I am repeating them - insert some of them for the record. Figures available to us from the 1970 census with reference to standard metropolitan statistical areas show that there are 63,958 female heads of owner-occupied households in

New Jersey - this would be age 65 and over. There is no breakdown available for ages 62, 63 and 64. I assume that you can apply some formula to this particular statistic and I am told quite possibly you could come up with as many as half this number, certainly in the 30,000's of female heads of owner-occupied households, 62, 63 and through age 64. I have no concrete reference figures to substantiate that but we have to assume that there are many thousands of women - females - single and widowed, in this category.

There was a report, not too long ago, made as a result of a study made by a Dr. Gladys Ellenbogen, Professor of Economics at Montclair State College, called "Aging in New Jersey, An Economic Analysis" which showed some very significant figures, or statistics. It is a well-known fact that women live to be an older age on the average than men. Her figure showed us that for females currently, at age 60 - this type female at age 60 - has a life expectancy, in the instance of white females, of 20.3 more years and for non-white females, 17.7 years. Now for a woman who presently is at age 65, she has an average life expectancy of 16.4 more years if she is white and if she is non-white she can expect to live on an average of 14.8 more years.

For those who are currently 70 years of age - and these figures, to me, are startling - a white female can expect to live 12.9 more years and a non-white female, 13.1 more years.

From these figures it can be concluded that single female homeowners now at age 62 - some of the people at whom this resolution originally was directed - have a life expectancy of 18½ years if they are white and 16½ years if they are non-white.

Furthermore, the life expectancy increases as they grow older. White females now 60 are expected to live to age 80.3 years old and non-white females are

expected to live to age 77.7 years. At age 70 white females may expect to live to be 82.9 years and non-white females may expect to live to be 83.2 years of age.

I feel these figures are significant because they graphically demonstrate that what I sought to accomplish in 1969 with my resolution, and what this resolution seeks to accomplish in 1973, is to recognize that many of our senior women face approximately 20 years of life on their own which, in too many cases, means living 20 more years, many of them in poverty, or near poverty, and certainly in a state of dependence on someone.

True we aim to extend eligibility for only three more years - I am now still referring to the original resolution for females - which means that each single female homeowner would benefit to the very limited extent of \$480 in deductions, total, if she lives to be 65. But in some instances it might be the difference between remaining in her home or losing it and going into an institution at far greater cost to government.

I can't help but think if my proposed Constitutional amendment of 1969 had been adopted and approved by the electorate, single women homeowners now 64 would have received a deduction for 3 years. Those who, at that time, were 63 would have received it for 2 years and those at age 62 would have now received it for one year.

In 1969 it obviously was an idea whose time had not yet come. I sincerely hope that we will not be able to say that about 1973.

SENATOR WOODCOCK: Well, I think, Senator Coffee, getting to the question of why the 62 was deleted with respect to women - and in going over this with Mrs. Donath, our Committee Aid - we took that out because it is my understanding that there is a Constitutional

change prohibiting discrimination with respect to sex, so that we would either have to drop the men back to 62 or bring the women up to 65. What we did was to leave the women where the men were.

Let me say that if that were not the concern of the Committee we would be happy to keep that as originally drafted, at age 62, recognizing the problem that you point out with respect to the fact that there are, certainly, more women in the United States, let alone the State of New Jersey, who live longer than men and must, during that period, maintain themselves with some degree of dignity. But we do have that Constitutional problem. If we can get over that I am sure we probably would be happy to put age 62 back in.

SENATOR COFFEE: Senator Woodcock, I had pretty much arrived at my own conclusion that the discriminatory factor was the reason why the additional amendment had been made. Now I want to make two suggestions and this is the real reason that I came here this morning.

I was aware, when I was in the Legislature, that there was need for amendment of the Senior Citizens Property Tax Reduction Formula. A lot of things are needed in this area. The unfortunate part of it is, from time to time, - and it happened when I was in the Legislature, and here it is about to happen again, - we have to go through the whole process of a resolution, public hearings, and unfortunately, a referendum to amend the Constitution, to make any changes possible.

I felt, during my years here - and I still feel - that the wiser course would be to attempt to amend the Constitution so that from that point on any changes having to do with our senior citizens property tax deduction, in amount of dollars, in ages, without reference to discrimination, would be made better if we could just, in a blanket way, amend the Constitution to leave these changes in the future entirely up to the Legislature.

SENATOR WOODCOCK: Senator Coffee, I am sorry that you were not here when Mr. Frank Haines from the New Jersey Taxpayers Association made his remarks to the Committee. That was basically one of the principal points that he made, that it would be far better to have a broad Constitutional grant for the Legislature to move in this area so that we wouldn't have to continually go through the process of amending the Constitution every time we wanted to include someone who ought to be included in this area and also when we wanted to increase the dollar amount that they would receive.

So, I think that that point - as I indicated to Mr. Haines - was well made and I think it is one that not only the Judiciary Committee but the Senate and the Assembly ought to take under advisement because we do constantly go back to this procedure of amending the Constitution to broaden what most people feel ought to be taken care of. It is far better and it can be done, I think, in a much better way by the Legislature dealing with a specific bill and trying to amend that. You can do much more with it and I think it also would meet some of the objections that the assessors raised, that there is some vagueness connected with the amendment that we are considering here. They are afraid that some of the things that they would like to see excluded from the bill-- In other words, they - the assessors - felt that there should be some limitation on the residential requirements so that we don't just have people moving from a state into New Jersey just to get the benefit of a tax exemption, or tax abatement. I think that that would indicate, again, the point that you made and the point that Mr. Haines made that perhaps we would be better off dealing with a broader grant of Legislative power and leave us free, at least in this area, to do what you say.

SENATOR COFFEE: My experience tells me, however, that to pass a resolution and to have a referendum approved in that broad scope is a bit more difficult--perhaps a lot more difficult than this type resolution.

I would still hope that you, as Chairman of this Committee, might consider the recommendation, that you go in that direction, but at the same time I don't want anyone to think that I, in any way am attempting to short circuit the disabled so that they, as quickly as possible, will not qualify for the property tax exemption. I don't intend that, therefore I am going to make a second suggestion.

I now understand the reason why there is an amendment to this resolution, but I think the amendment is in the wrong direction. I think it is a disastrous amendment when we have the time in one fell swoop to take care of two problems. Now the reason for my resolution, back in 1969, was to bring the age category for females down to 62 because when we look at our Social Security Act, 62 was the age that women qualified back then. Now when we come up to date, when we come up to January 1, 1973, we now find that our Social Security Act has further been amended and while the male doesn't get all the benefits that a female gets at age 62, the age limit has been reduced for males within the Social Security Act for benefits to be received by them at age 62.

I strongly urge and suggest that we go in the positive direction. If we are going to have this resolution resolved in the way of a referendum that the Senate Concurrent Resolution be reamended, or further amended, and that we include in this resolution the age 62 - the age of qualification for the property tax exemption for both male and female - and I think that that would be a much more positive step than just sweeping under the rug, for another period of time, what

originally was intended in this resolution and that gets you over, I would think, the discriminatory factor that was the original concern and the reason for the amendment.

I would like to leave the hearing, Senator, with my very strong urging, once again, that serious consideration be given to amending this Senate Concurrent Resolution No. 5 so that it will not only provide for the disabled, at any age, for the property tax exemption but that both male and female be included in, and be written back into this amendment so that they may qualify at age 62 or over.

SENATOR WOODCOCK: Thank you very much, Senator.

Is there anyone else who wishes to address the Judiciary Committee on Senate Concurrent Resolution No. 5?

(no response)

I will conclude the public hearing on Senate Concurrent Resolution No. 5. Thank you.



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS

LAWRENCE F. KRAMER
COMMISSIONER

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January 3, 1973

The Honorable Joseph C. Woodcock, Jr.
Chairman
Judiciary Committee
New Jersey State Senate
State House
Trenton, New Jersey 08625

Dear Senator Woodcock:

With reference to the public hearing which has been scheduled January 10 by your committee on Senate Concurrent Resolution No. 5, I respectfully request that the following statement, which has been adopted by a majority of the members of the State Commission on Aging, be entered into the hearing record:

STATEMENT

The State Commission on Aging, being fully cognizant of the fact that widows and single females face severe economic hardship in their later years, desires to be placed on the record as supporting Senate Concurrent Resolution No. 5 insofar as it applies to lowering the eligibility age for the Senior Citizens Property Tax Deduction to 62 for female homeowners described therein.

Further, if the Resolution is approved by the Legislature and a referendum is placed on the General Election ballot November 6th next, the Commission on Aging assures that it will actively support efforts to gain approval by the voters of the State.

The provision that would make disabled homeowners eligible at any age for the same deduction as senior citizens does not fall within the purview of the State Commission on Aging or the State Office on Aging, and the Commission therefore stands mute on that provision.

Your kind consideration will be appreciated.

Sincerely,

James J. Pennestri
Chairman

Commission on Aging

JJP/b

JUN 27 1985



