Let the People Speak III

Report of the Citizens' Tax Assemblies

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New Jersey Coalition for the Public Good
145 West Hanover Street
Trenton, New Jersey 08618
Email: info@njcpg.org
Website: njcpg.org

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New Jersey Coalition *for the* Public Good
145 W. HANOVER STREET, TRENTON, NEW JERSEY 08618

To the People of New Jersey:

The New Jersey Coalition for the Public Good is a volunteer, nonprofit organization aimed at promoting good government policies and practices in New Jersey through forums, activities and reports. We are pleased to publish this report on the work of the Coalition for the year 2004, *Let the People Speak III*.

For almost two years more than 200 men and women from all across the state came together in Citizens' Tax Assemblies to discuss how to improve New Jersey's system of raising revenues for government services. The ability of these delegates to engage in the give-and-take, make the tradeoffs and come to consensus on the decisions that would have to be made in addressing the state's tax problems, was encouraging and impressive.

The Citizens' Tax Assemblies initially reached some broad conclusions about what needed to be done. However, the delegates then made more specific recommendations. At a time when elected officials are reluctant to address New Jersey's over-reliance on local property taxes and other related issues, the Tax Assembly format showed that citizens can in fact consider, rationally, civilly and productively, issues that the political structure avoids as "too hot to handle."

Let the People Speak III provides the background and conclusions of the extraordinary events that took place in 2004. The participants in our state-wide and regional assemblies have become active and knowledgeable. Also, as a result of the Coalition's demonstrated success and the efforts of other equally concerned citizens, a Governor's Task Force was established to develop recommendations for the creation and conduct of a constitutional convention to review the existing property tax system. *Let the People Speak III* contains a status report on its progress.

The Citizens' Tax Assemblies are just a beginning. Our hope is that these reports and other activities that follow will help spark long overdue debate in New Jersey about our tax system, contribute to the actual reform process, and engage an informed public. We urge government officials and the public to take careful note of the information in this report, and the potential that the Citizens' Tax Assemblies have demonstrated for meaningful change.

What the citizen-delegates accomplished needs to be replicated throughout New Jersey. The people should have access to accurate non-partisan information to participate in the process. The citizens of this state are ready, willing and able to face the challenge.

On behalf of the New Jersey Coalition for the Public Good, we extend our thanks to the delegates and to all of the other individuals and organizations that helped to make the Citizens' Tax Assemblies a reality and a success. But that success cannot be lost, we shall continue!

New Jersey Coalition for the Public Good

Sally Dudley, Chair
Dr. Henry Coleman, Vice Chair
Bruce Coe, Secretary/Treasurer
Sharon Ransavage
Richard J. Sullivan

Introduction

There is increased momentum for taking on the task of repairing the system New Jersey uses to raise the revenue needed to provide government services. The belief—and the evidence—that our state over-relies on local property taxes continues to grow. The New Jersey Coalition for the Public Good welcomes this challenge. For too long tax reform has been viewed as untouchable because of the perceived political risks; now the climate is changing to where those in power are getting the feeling that the bigger risks come from the status quo.

An outraged populace, however, is not necessarily an informed populace. So the Coalition has for the past two years undertaken a project aimed at expanding the ranks of citizens who can knowledgeably participate in the discussions to determine how best to make sure money is available for society's needs—and that this money is raised in the fairest possible manner.

In September 2003, we held New Jersey's first statewide Citizens' Tax Assembly. Delegates gathered in Trenton from every county to spend a weekend getting involved in the kinds of discussion and give-and-take that meaningful tax reform will demand. In June 2004 many of the delegates reassembled to go deeper into issues like the appropriate magnitude of property tax reduction, alternative sources of revenue, how to structure a tax reform convention and meaningful restraints on spending.

The delegates performed remarkably in demonstrating their understanding of complex tax policy issues and the kind of solutions they require. Then we asked them to do more. We wanted them to help recruit other individuals to participate in a similar process of consciousness-raising and deliberation. This time, the format would be four separate regional tax forums, each with its own set of delegates. These day-long sessions were held in September and October of 2004 in Cherry Hill, Jersey City, Morristown and New Brunswick. More than 125 men and women participated in these regional assemblies. In addition to helping to recruit these participants some delegates from the previous Citizens' Tax Assembly also served as moderators for the regional assemblies.

Just as was the case with the Citizens' Tax Assembly, delegates met in small-group sessions and as a whole. The discussions were lively and substantive, continuing to affirm the appetite and capacity that New Jerseyans have for dealing with hard questions and thinking about ways to make things better.

In the pages that follow, we share the major findings of the four regional tax assemblies, including an informational update on the prospects of a property tax convention. We feel that, along with the reports from the two earlier statewide Citizens' Tax Assemblies, they help to form a body of thought that is both informative and encouraging. There is ever more reason to believe that the people of New Jersey are willing to provide leadership and direction on this important policy issue.

The Process

For each session, delegates were sent background materials (see Appendix One, Page 9), which included a range of options and scenarios aimed at focusing—but not limiting—discussion. Participants were not limited to those options when it came to making recommendations for reform. At the regional assemblies, moderated discussions centered on three questions:

1. What would be an appropriate level of reduction in property taxes?

2. What alternative sources of revenue might replace property taxes?

3. What would be meaningful restraints on spending?

Participants could be as specific in dealing with these questions as they chose. In some cases this process resulted in very precise figures; other times there was unity around broad concepts. There were times when groups did not reach agreement on solutions in particular areas, but instead stated concerns that members shared. In short, the range of approaches taken was almost as diverse as the group of delegates. This diversity contributes greatly to the richness of the discussions and, ultimately, to the findings.

The Findings

1. How much should property taxes in New Jersey be reduced?

Agreement on the need to reduce reliance on local property taxes in New Jersey was universal. As far as the magnitude of the reduction, considerable support was expressed for moving to a system where reliance on property taxes in New Jersey mirrored the national pattern, about one third of major state and local tax revenues, instead of the current level of 45-to-47%.

A few participants advocated eliminating property taxes completely and some said they should be eliminated for schools. However, for the most part there was sentiment for keeping this form of taxation at a sharply reduced level more consistent with what is found in other states. Some felt that the reduction in property taxes should be incremental over a period of years so as to ease the burden of transitioning to new revenue sources.

There was widespread agreement for reducing the gross level of property taxes, especially by discontinuing or reducing the current practice of the state sending homeowners and renters rebates to homeowners and renters.

Reflective of the fact that in many communities the biggest property tax burden is to pay for local schools, there was support for increasing the state share of school funding. There was, however, concern voiced for making sure that reducing property taxes did not lead to a decline in the quality of education.

Fairness was an overriding concern among the delegates. For example, concurrent with the belief that property taxes should be reduced was the view expressed by several delegates that homes should be assessed fairly by municipalities for the purposes of assessing property values and levying property taxes. There also were some concerns that reducing property taxes could lead to erosion in local control, resulting in a loss of local input into education and other services.

2. What other revenues should be used?

Regarding alternatives to property taxes, a strong sense emerged that there is no single preferred alternative. Rather, delegates felt that—overall—the state's mix of revenues needs to be better balanced. Virtually no one proposed that just one tax be raised in order to make up for the revenue that would be lost if there were less reliance on local property taxes.

Support was near unanimous for increasing the amount of revenue collected through the state's Gross Income Tax. Many cited the reason for this preference as being the tax's progressivity: the higher someone's income, the higher the percentage paid in taxes. In many instances it was stated that income tax increases should be designed to fall only on the wealthiest New Jersey households with care taken not to add to the burden of low-income residents and, in particular, senior citizens.

While most support for income tax increases was expressed as a desire to increase the tax rates at the upper brackets, there was some sentiment for leaving the rates in place and imposing a surcharge on the tax now being levied.

Raising the state sales tax had strong support, especially in terms of broadening the base of the current tax by imposing it on some purchases not now taxed. Most often, this came up in the form of levying the sales tax on certain services. In a few instances, there was support for extending the sales tax to currently exempt non-service purchases, such as clothing. Closely behind the notion of expanding the sales tax to include new items was the idea of increasing the sales tax rate above the current 6% level.

In many cases, support for relying more heavily on the sales tax for revenue was tempered by expressions of concern that the regressive nature of sales taxation would have a negative impact on low-income persons.

Some sentiment was also expressed for increasing excise taxes and for taxing sales transactions made through the Internet.

After increasing the income and sales taxes, support was strongest for increasing the state tax on purchasing gasoline. Sentiment was fairly evenly divided between using the new revenue for the general state budget and devoting it specifically to transportation purposes.

Many suggested the state should increase the amount of money it takes in from business taxes. However, some concern was expressed with regard to whether doing this would make New Jersey less competitive with other states in attracting and retaining businesses.

Other ways suggested to reduce the property tax burden and broaden the mix of revenue instruments included imposing a wealth tax on intangible financial assets; assessing impact fees on developers to help cover the costs of infrastructure improvements; relying more on gambling revenue, including expanding the presence of gambling in the state beyond Atlantic City; taxing property that currently is exempt; and looking into the extent to which some property owners are able to reduce their tax burden by claiming farmland exemption.

Some suggested that New Jersey municipalities should be allowed to diversify their tax options so they could reduce the property tax burden but still collect a significant sum of revenue from local sources.

3. What would constitute meaningful spending restraints?

Delegates chose to focus on this issue in a variety of ways. By far the most frequently mentioned avenue for addressing spending involved New Jersey's fragmented system of school districts and municipalities. Regionalization and consolidation were frequently cited as cost-saving strategies. Some offered support for more sharing of services or to joint purchasing arrangements.

Considerable support also was expressed for requiring the state to supply the funding for any programs it requires that school districts or municipalities undertake—State mandate, State pay! There also was sentiment for imposition of caps, annual limits on the growth rate for school and municipal spending.

Participants came at the spending question from many different directions. For example, there was some support for each of the following proposals:

> Revamping the pension system for public employees
>
> Examining criminal sentencing laws with the aim of reducing the number of people imprisoned for non-violent offenses and, therefore, cutting state spending on corrections
>
> Banning "pay to play"

Other suggestions included: electing a state auditor to oversee fiscal practices; increasing college tuition, but with more assistance for those in need; statewide initiative and referendum; requiring local government "rainy day" funds; and making school teachers state employees.

Just as participants felt there is no one way to replace property tax revenues, they expressed the view that there is no "silver bullet" solution to control spending. Rather, the discussions and recommendations reflected a belief that there are certain systemic issues that must be addressed and that in some cases this will mean rethinking longstanding policies and traditions.

For more information on the New Jersey Coalition for the Public Good and the Citizens' Tax Assemblies, visit www.njcpg.org

Status Report on The New Jersey Property Tax Convention Task Force

Proposals for a property tax convention, also known as a constitutional convention, have been before the Legislature since October 2000. This issue received considerable impetus when, on July 6, 2004, Governor McGreevey signed into law a bill establishing the New Jersey Property Tax Convention Task Force (hereafter, the Task Force), consisting of 15 members with diverse backgrounds and expertise on New Jersey taxes. Although the four regional assemblies held during the fall of 2004 did not develop findings on the idea of a property tax convention, an update was provided during each of the regional assemblies for informational purposes. (Delegates to the Citizens' Tax Assembly of June 12, 2004 did deliberate on the property tax convention proposal (please see www.njcpg.org, section 3 in the *Let the People Speak, June 2004 Meeting*).

The Task Force's recommendations focused on three areas: the selection of delegates, the scope and mission of the convention, and convention procedures and operations. The major recommendations include:

1. That 80 delegates, two from each legislative district, should be elected at the general election in November 2005. Moreover, all citizens/registered voters, including state and local elected officials, are permitted to run. Ten additional delegates would be appointed by the Governor to ensure diversity.

2. The convention would be strictly limited to considering and making recommendations to reform the current system of taxation and should restrict its consideration to revenue (and not spending) issues. The constitutional requirement for a "Thorough and Efficient" public education should not be changed, and there should be a requirement that proposals be revenue neutral (i.e., they should not increase or decrease the size of government).

3. The Task Force recommended that the convention be authorized to propose both statutory changes and constitutional amendments. A panel of three retired jurists, appointed by the Chief Justice of the New Jersey Supreme Court, would review the proposals to ensure that they do not exceed the convention's scope. The convention should submit its package of recommendations to the voters as a single referendum question.

Based on the recommendations of the Task Force, the following timetable is anticipated for future actions relating to a property tax convention:

1. The Legislature must pass implementing legislation before August 2005.

2. A public referendum would be held at the November 2005 general election to authorize the convention and elect delegates.

3. An organizational meeting of delegates would be convened early in December of 2005.

4. The official sessions of the convention would be convened from April through July 2006.

5. The recommendations of the convention would be submitted to the voters at the general election in November 2006.

A more detailed description of the findings and recommendations of the Task Force is found in Appendix Two (see Page 21).

Conclusion

The four regional tax assemblies each had their own character and momentum. However, they shared a common zeal for attacking New Jersey's current tax situation with fresh ideas and without regard for "sacred cows." It is increasingly clear that people throughout New Jersey understand the related challenges the state faces and are willing to get involved to make this a better state.

In the fall of 2004 as a result of the Coalition's demonstrated success and the efforts by other equally concerned citizens, then-Governor McGreevey appointed a New Jersey Property Tax Convention Task Force. The charge to the Task Force was to develop recommendations for conducting a constitutional convention to reform the state's unfair property tax system.

As plans go forward to put to the public the question of whether New Jersey should hold a convention in 2006 to restructure the tax system, the regional assemblies and other educational activities add more evidence to the case that citizens of this state will embrace the idea of working together for reform and working hard toward its success.

If reforms are to take place, the citizens of New Jersey and the New Jersey Coalition for the Public Good have a responsibility to follow through and continue educating and motivating the elected officials, the media and, most importantly, the public.

Background Materials

1.

THE MAGNITUDE OF PROPERTY TAX REDUCTION — HOW MUCH NEEDS TO BE REDUCED?

HOW DO YOU SPELL PROPERTY TAX RELIEF IN NEW JERSEY?

Local property taxes are a major source of revenue in New Jersey, generating $17.2 billion in 2003. This figure is more than the total amount of revenue anticipated for Fiscal Year 2004 from the three largest state taxes (Gross Income Tax = $7.5 billion; General Sales and Use Tax = $6.3 billion, and Corporation Business and Bank Tax = $2 billion) and the total revenues anticipated from the state Lottery ($783 million) and the taxation of casinos (Casino Revenue Tax = $512 million). Moreover, property taxes in the state have increased by at least $800 million in each of the last three years (see Page 11). In addressing the need for property tax relief in New Jersey, a major question to be addressed is how much relief to provide. There is a range of options to consider, based primarily on national norms and recent reform efforts in other states. In pursuing any of these options, **steps would have to be taken to ensure that every dollar of property tax relief provided would result in an equivalent reduction in local property taxes raised. Moreover, careful attention would have to be given to identifying alternative sources of revenue (and perhaps spending reductions) to fund these options**.

Option One: Keep the current situation from getting any worse

Between 1990 and 2000, total property taxes in New Jersey (including county, municipal, and school levies) grew from $9.8 billion to $14.2 billion, an average increase of about $500 million per year. However, since 2000, increases in property taxes have ranged from $800 million to $1.2 billion a year. Thus, the amount of property tax increase has grown significantly in recent years. As such, **property tax relief must be at least in the area of $800 million a year, just to keep the current situation from deteriorating further**. This is approximately the yield of the "millionaires tax" recently proposed by Governor McGreevey.

Option Two: State pays "fair" share of school costs

According to the New Jersey State Constitution, the requirement to provide a "thorough and efficient" education is the state's responsibility. However, the costs of providing a thorough and efficient education to pupils in the state fall primarily on local school districts (through the property tax). In New Jersey, local school districts provide almost 60% of the costs of operating schools (approximately $17-18 billion a year), with state government providing about 40%. The average funding share for all states is about 50%. If New Jersey paralleled the average for all states in meeting its constitutional obligation, **the state share of school costs would have to increase by approximately 10 percentage points, or about $1.5-1.8 billion a year**. This is approximately the yield of the "permanent" components of the "business tax reforms" enacted by the Governor and the Legislature two years ago.

Option Three: Local revenue diversification

Unlike their counterparts around the country, local governments in New Jersey have very limited access to own-source tax revenues. In particular, approximately 98% of local tax revenue in New Jersey is derived from property taxes, with the major exceptions being the Newark Payroll Tax, Atlantic City Luxury Tax, parking taxes for certain classes of cities, and the recently enacted local option hotel tax. Around the country, local governments in other states have far more access to non-property taxes as a source of revenue, with the property tax providing an average of about 74% of all local tax revenues. **If New Jersey local governments were patterned after their counterparts around the country, property taxes in the state would have to decline by about 25% (from 98% down to 74%), or by about $4.5 billion a year**. This is about the size of the property tax relief suggested by the Star-Ledger in its recent proposal.

Option Four: Better balance among major revenue sources
As noted earlier, property taxes in New Jersey generate revenues that exceed the combined total of revenues from the three largest state taxes. That is, property taxes account for about 45-47% of all state and local tax revenues in New Jersey. The national average reliance on property taxation among all states is approximately 30-32% of total tax revenues. Thus, **for New Jersey to look more like the average state in terms of reliance on the property tax relative to other major taxes (i.e., the personal income and the general sales and use taxes), overall reliance in the state would have to drop by about one-third (from 45% down to 30%), or by just under $6 billion a year**. This is about equal to the recent annual yield of the state's general sales tax.

Option Five: The Cahill Committee
The New Jersey Tax Policy Committee, a blue-ribbon group established by Gov. William T. Cahill, issued its final report in 1972. The Committee recommended that property taxes in New Jersey be reduced immediately by 40%, and then never allowed to constitute more than one-third of all state and local taxes. **An immediate reduction of 40% would generate property tax relief of almost $7 billion a year**, or just less than the annual yield of the state's personal income tax.

Option Six: The Michigan model
Several years ago, the state of Michigan decided to end its reliance on local property taxes as a means of financing primary and secondary education. Once the property tax was removed as a source of funding schools, the Michigan Legislature gave voters a choice: approve an increase in the state's personal income tax or, if not, an increase in the state's general sales tax necessary to offset the loss of local property taxes to fund schools would automatically take place. Voters did not approve the income tax increase, and the automatic increase in the sales tax kicked in. **If New Jersey attempted to <u>eliminate</u> the local property tax as a source of revenue for funding schools, more than $10 billion in state revenues would be needed to offset the loss if the current level of school services was to be maintained**. This is far greater than the best yield ever from any individual state revenue source (the Gross Income Tax generated about $8 billion in Fiscal Year 2000).

Therefore, in deciding "how much" the level of property taxes in the state should decrease, recent trends and patterns for other states provide useful guidelines. These guidelines suggest that:

- A minimum of $800 million and possibly as much as $10 billion in property tax relief will be needed if New Jersey is to relinquish its claim as one of the highest property taxing states and begin to look more like its fellow states with respect to reliance on property taxes and

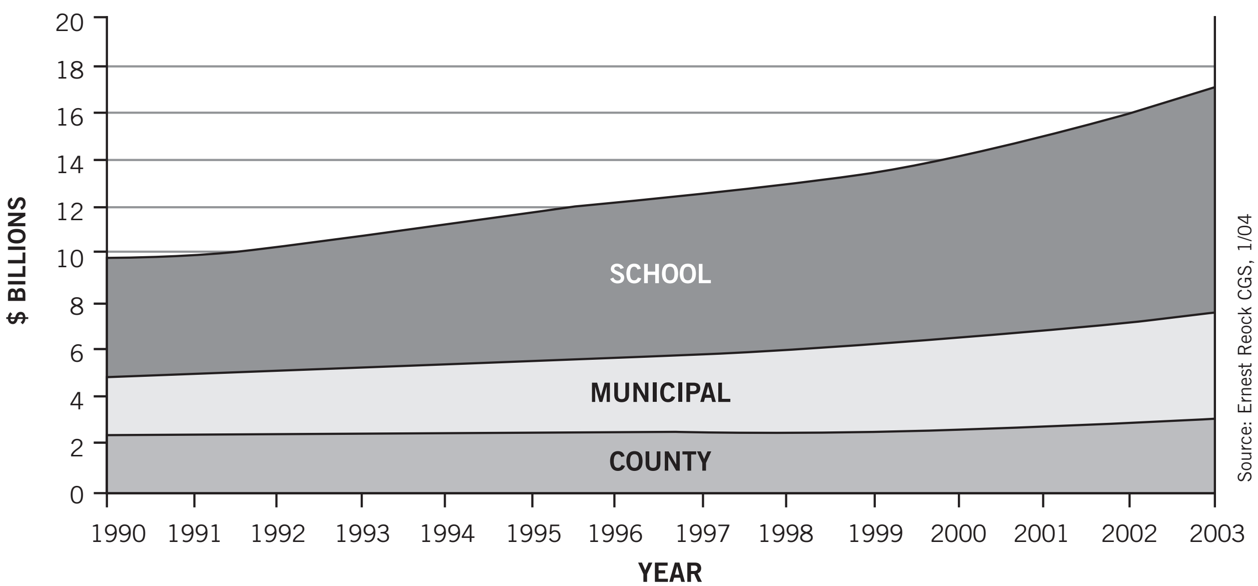
- A significant increase in an alternative revenue source, or some combination of alternative revenue sources, would be required to achieve many of these property tax relief options.

See Page 12 for a graphic display of the above six options.

NEW JERSEY PROPERTY TAX TRENDS, 1990 – 2003

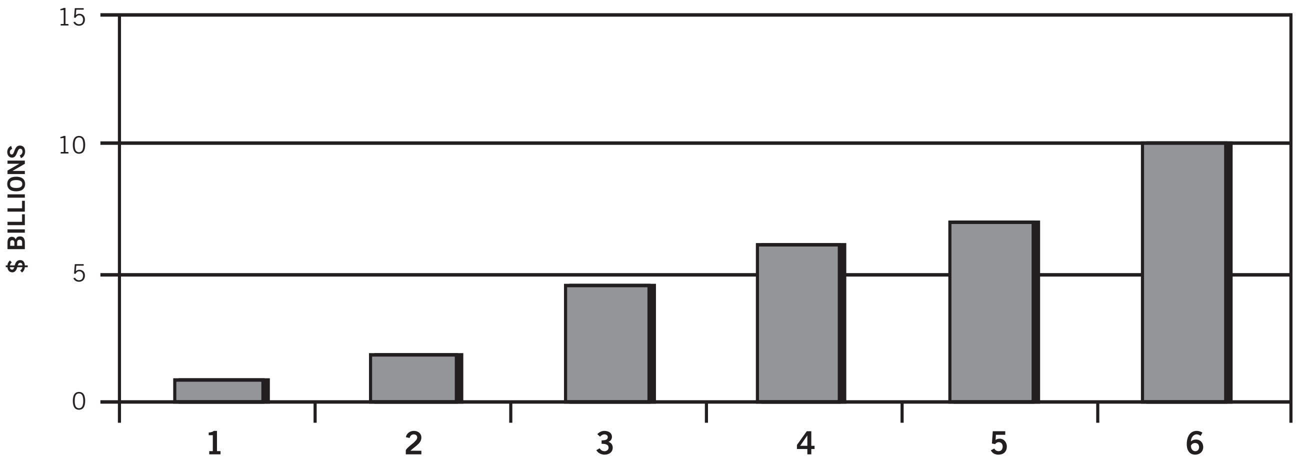
	County Tax Levy	*Municipal Tax Levy*	*School Tax Levy*	***TOTAL***
YEAR	Billions of dollars			
1990	$2.2	$2.6	$4.9	$9.8
1991	2.2	2.5	5.2	9.9
1992	2.3	2.7	5.4	10.3
1993	2.4	2.7	5.7	10.8
1994	2.4	2.9	6	11.3
1995	2.4	3.1	6.2	11.7
1996	2.5	3.2	6.5	12.2
1997	2.5	3.3	6.7	12.6
1998	2.6	3.4	7.0	13.0
1999	2.7	3.6	7.3	13.6
2000	2.7	3.7	7.7	14.2
2001	2.9	3.9	8.2	15.0
2002	3.1	4.1	8.8	16.1
2003	3.3	4.4	9.5	17.3

Property taxes rose 76% during this 14-year period for a total of $7.5 billion. This increase was driven by the school tax levy, which rose 94% over the period. Municipal taxes increased 69%, and the county levy rose 50%.



This chart shows that property taxes rose 76% during this 14-year period for a total increase of $7.5 billion, an average increase of more than $500 million a year. Over the past 5 years, the average annual increase has been almost $750 million. The increase over the entire period was driven by the school tax levy, which rose 94%. Taxes for municipal purposes have increased 69%, and the county levy rose 50% during this period.

NEW REVENUE OR SPENDING CUTS NEEDED UNDER EACH OPTION



To hold property taxes at their current level would require about $800 million in new revenue or spending cuts to meet the growth likely to occur next year (Option 1). If New Jersey were to raise its support for education funding from the current 40% of total spending on the schools to the national average of 50%, it would require new revenue or spending cuts of about $1.5-1.8 billion a year (Option 2). To permit local governments to reduce their reliance on the property tax from 98% of local revenues to the national average of 74% would require about $4.5 billion a year in new local taxes (Option 3). If New Jersey were to lower its reliance on property taxes to the national average of 30%, it would require replacing $6 billion in current property taxes with new revenue sources or spending cuts (Option 4). If the state followed the 1972 recommendation of the Cahill Committee for an immediate 40% cut in the property tax to hold it to no more than a third of all state and local taxes would require almost $7 billion a year in new revenue sources or spending cuts, equal to what the state income tax brings in now (Option 5). If New Jersey, like Michigan, eliminated the local property tax as a way to fund schools, it would need to offset the loss with $10 billion in new revenues or spending cuts (Option 6).

2.

WHAT ALTERNATIVE SOURCES OF REVENUE MIGHT REPLACE PROPERTY TAXES?

OPTIONS FOR ACHIEVING BALANCE

New Jersey's over-reliance on property taxes is exhibited clearly when state revenues collected in Fiscal Year 2003-2004 are compared to revenue collected from property taxes during the same period. A total of $41.1 billion was collected from all sources. This is the breakdown:

Source	Amount	Percentage
Property Tax	$17.254 billion	42 %
All State Revenues and Receipts	$23.853 billion	58%
Total	$41.107 billion	100%

Page 15 shows the estimated New Jersey budget revenues for 2003-04 ($23.853 billion). It contains a pie chart with revenue resources showing dollar amounts. Page 11 reports property tax collections from 1990 to 2003 broken down by counties, municipalities, and school districts. Over this period of time, the property tax levy grew by $7.47 billion, or 76.4%.

The effect of New Jersey's disproportionate reliance on property taxes on individual taxpayers is shown on Page 16. This chart shows the amount of the New Jersey income tax at various income levels compared to the amount of property tax paid on houses assessed at different values, ranging from $50,000 to $500,000. The disparities are staggering, especially since property values have skyrocketed in New Jersey. This has greatly increased the amount of property taxes paid on a residence, regardless of whether the owner/taxpayer has experienced any increase, or decrease, in income received.

Alternative revenue sources, as well as balancing present sources, could be used to help correct New Jersey's over-reliance on property tax.

Option One: New Jersey Gross Income Tax

New Jersey's Gross Income Tax was passed in 1976 after the State Supreme Court closed down summer sessions of the public schools because of the state's failure to address disparities in money available to provide New Jersey's constitutionally required "thorough and efficient system of public education." It was an almost flat tax, with rates ranging only from 2-2.5%. During the 1980s rates were increased slightly, making the tax more progressive. In 1990, with another Supreme Court decision on school funding imminent, income tax rates were further increased. From 1994 to 1996 there were three separate reductions in the tax rate. Most income categories received a 30% reduction, except for the highest income class, which saw a somewhat smaller reduction. From 1994 through 2001, these changes reduced revenue collected by the state by $8.648 billion. The loss in 2001 alone was $1.669 billion.

Restoration of income tax rates to the pre-1994 levels would increase revenue significantly, every penny of which is dedicated by the New Jersey Constitution to property tax reduction through municipal aid, school aid and other payments such as rebates. Page 17 contains four charts comparing New Jersey's income tax to: the national averages for married and single taxpayers; the neighboring states; and the 10 most heavily taxed states.

Option Two: Sales Tax
The Star-Ledger recently proposed a property tax reform program for New Jersey. Among its recommendations, was to expand New Jersey's Sales and Use Tax to apply to seven categories of services not taxed now: consulting; legal; computer systems design; architectural, engineering and related; accounting; advertising; and data processing. The newspaper noted that the direct impact on individuals would be limited, with businesses paying most of the service taxes. The Star-Ledger estimated the sales tax extension would generate $2.24 billion a year. It would be possible to look at other types of services that are used by individual taxpayers to consider whether they should be subject to the sales tax and what amount of revenue might be collected. Extending the sales tax to selected products and items that are now exempt would expand the available revenue options.

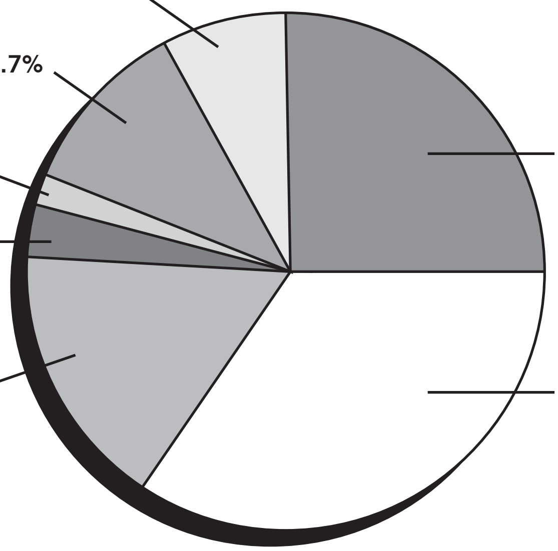
Option Three: Tax Rebates and the Millionaires Tax
The Star-Ledger proposal recommended that existing property tax rebates be folded into a comprehensive property tax reform initiative. Meanwhile, the McGreevey administration wants to increase rebates by $800 million by raising the rates of the income tax for taxpayers with incomes over $500,000. This tax increase would affect approximately 28,500 taxpayers, less than 1% of the approximately 3.6 million taxpayers in the state.

Option Four: Wealth Tax
Many countries, including 11 in Western Europe, and three states—Florida, Georgia, and Kentucky—as well as some local governments levy a small tax (typically 0.1% or 0.2%) on the value of intangible assets like stocks and bonds. Because ownership of these assets is so concentrated, it is possible to raise large amounts of revenue with a relatively modest tax rate and a very high threshold before the tax is imposed. As of 1995 (the most recent year for which we could find data), the wealthiest 10% of U.S. households held 66% of the country's net wealth. The other 90% held only a third. The 90% of households with the smallest assets held only 11% of the total amount of stocks, bonds, and similar assets. Most of their assets are <u>tangible</u>, such as automobiles and homes, which already are taxed. The wealthiest 1% owns 58% of all stocks, bonds, and non-incorporated business assets, with the top 0.5% owning 47%. One estimate finds that New Jersey could raise more than $400 million by a 0.2% tax on stocks, bonds, and similar assets—with no taxation until one's assets exceeded $3 million.

OTHER TAX OPTIONS:
Additional research and analysis might develop revenue opportunities in the following areas:

- Gambling
- Corporate
- Realty transfer
- Excise (including luxury items)
- Local option Income or Sales taxes.

BUDGET REVENUES – ESTIMATED



RESOURCES

($000)

INCOME TAX	**$7,493,820**
SALES TAX	**6,333,800**
CORPORATION AND BANK TAX	**1,902,000**
LOTTERY REVENUE	**783,000**
CASINO REVENUE	**512,200**
OTHER MAJOR TAXES:	
Motor Fuels	544,000
Cigarette	499,000
Transfer Inheritance	378,000
Insurance Premium	356,000
Motor Vehicle Fees	233,979
Petroleum Products Gross Receipts	221,000
Realty Transfer	210,000
Alcoholic Beverage Excise	83,000
Savings Institutions	20,000
Tobacco Products Wholesale Sales	10,000
Public Utility Excise	8,700
Sub-total, Other Major Taxes	**$2,563,679**
OTHER RESOURCES*	**4,264,823**
TOTAL RESOURCES	**$23,853,322**

* Included in “Other Resources” are: Tobacco Settlement Fund ($1,448 million). Medicaid Uncompensated Care proceeds ($455 million), Interfund transfers, as well as numerous fees, assessments, licenses, fines, surcharges, and miscellaneous levies.

BURDEN OF PROPERTY TAXES COMPARED TO BURDEN OF INCOME TAX IN NEW JERSEY

The amount of income tax imposed on a family compared to property tax is eye opening.

Shown are five levels of taxable income and the state income tax liability for each.

Taxable Income	Tax Liability
$ 20,000	$ 280
50,000	805
100,000	2,750
150,000	5,512
300,000	15,067

The following schedule shows property taxes (year 2002, statewide average) at high, low and median rates for six different property values.

Value of Property	Property taxes at low rate of $1.50	Property taxes at high rate of $3.50	Property taxes at median rate* of $2.22
$ 50,000	$ 750	$ 1,750	$ 1,110
100,000	1,500	3,500	2,220
200,000	3,000	7,000	4,440
300,000	4,500	10,500	6,660
400,000	6,000	14,000	8,880
500,000	7,500	17,500	11,100

The household earning $50,000, living in a $200,000 value home, will pay five and one-half times more property tax than income tax, assuming the state median. While there is a relation in the value of the home to the income of the owner at the time of purchase, over time inflation of the value of homes and changes in the income of the owner can result in a residence valued far higher in proportion to the income of the owner. For the vast majority of New Jersey families, the amount of state income tax paid is far less than the amount of property taxes paid.

This imbalance is not surprising when you compare the annual revenue raised by each tax: property taxes $17.2 billion; income tax $7.5 billion.

*after rebates, the median rate drops to $2.07

Also note: the state average rates have been declining since 1998 as property values have dramatically increased. Nevertheless, since values increase more than the drop in tax rates, the actual property taxes paid each year has been going up. Statewide, this increase has been about 7% per year.

Analysis of contemporary research by Judith Cambria, 2002

NEW JERSEY INCOME TAX COMPARED TO OTHER STATES (by income quintile)

New Jersey vs. National Averages for Married Taxpayers

	Lowest (20K)	Second Lowest	Middle	Second Highest	Highest (100K)
Average of all States	$271	$ 850	$1,729	$2,949	$3,958
Average of States with Income Tax	$331	$1,036	$2,109	$3,596	$4,827
New Jersey	**$0**	**$ 508**	**$ 892**	**$1,659**	**$2,641**

New Jersey vs. National Averages for Single Taxpayers

	Lowest (10K)	Second Lowest	Middle	Second Highest	Highest (70K)
Average of all States	$110	$483	$1,036	$2,014	$2,897
Average of States with Income Tax	$134	$589	$1,263	$2,456	$3,533
New Jersey	**$0**	**$271**	**$ 499**	**$1,358**	**$2,321**

Taxes by Income Category in New Jersey and Neighboring States

	Lowest (20K)	Second Lowest	Middle	Second Highest	Highest (100K)
New Jersey	**$0**	**$ 508**	**$ 892**	**$1,659**	**$2,641**
Pennsylvania	$560	$ 980	$1,540	$2,240	$2,800
Connecticut	$0	$ 225	$1,276	$2,917	$4,115
Maryland	$322	$1,236	$2,194	$3,394	$4,354
Rhode Island	$253	$ 827	$1,644	$3,259	$4,687
Delaware	$210	$ 983	$2,087	$3,528	$4,717
Massachusetts	$360	$1,317	$2,371	$3,762	$4,883
New York	$190	$ 910	$2,080	$3,769	$5,138
State Averages*	$271	$ 925	$1,885	$3,267	$4,385

*Excluding New Jersey

Income categories are for married taxpayers

Ten Most Heavily Taxed States and New Jersey

	Lowest (20K)	Second Lowest	Middle	Second Highest	Highest (100K)
New Jersey	**$0**	**$ 508**	**$ 892**	**$1,659**	**$2,641**
Kentucky	$727	$1,743	$2,955	$4,455	$5,655
Wisconsin	$0	$ 885	$2,428	$4,314	$5,690
Oklahoma	$457	$1,432	$2,781	$4,488	$5,818
Idaho	$157	$1,140	$2,623	$4,556	$6,116
N. Carolina	$602	$1,554	$2,939	$4,688	$6,158
Maine	$135	$ 928	$2,439	$4,560	$6,260
Hawaii	$722	$1,796	$3,336	$5,366	$7,046
Iowa	$504	$1,607	$3,150	$5,351	$7,146
Montana	$477	$1,395	$3,132	$5,631	$7,757
Oregon	$809	$2,010	$3,777	$6,024	$7,824
State Averages*	$459	$1,449	$2,956	$4,943	$6,547

* Excluding New Jersey

Income categories are for married taxpayers

Source: New Jersey's Income Taxes: How Progressive by John Zerillo, NJ Policy Perspective, 2003

3.

WHAT WOULD MEANINGFUL RESTRAINTS ON SPENDING BE?

REDUCING SPENDING AS A COMPONENT OF PROPERTY TAX REFORM

BACKGROUND

The level and growth in both state and local government spending are often cited as major causes of the excessive reliance on property taxes in New Jersey. Local government spending contributes directly to property taxes since these taxes are the primary revenue source available to fund local services. State government often affects local spending indirectly, as when local governments are called upon pay for services that are the state's responsibility (such as primary and secondary education), or when the state mandates local expenditures for certain activities or programs (such as pensions for police). Moreover, the impact of state government spending on local property taxes is also indirect when spending by the state government in other areas "crowds out" various forms of state aid within the state budget.

A number of factors beyond the direct control of state and local governments in New Jersey may make it difficult to reduce or even control much of their spending. These factors include:

- Inflation—affects the costs of the public goods and services provided
- Interest rates—affect the costs of state and local government borrowing for capital projects
- Federal government mandates—require governments to do things but provide no money to pay for them
- Demographics—for example, the number of residents under 18 or over 65 has an impact on what services government needs to provide

In considering the role of spending in providing property tax relief in New Jersey, options must be developed to respond to several questions, including:

1. How much should spending be reduced?
2. Where can meaningful spending cuts be made?
3. How can spending reductions be achieved?
4. How can future spending growth be controlled?

Option One: The level and rate of growth of state and local government spending in New Jersey should not exceed the national average

According to data provided by the U.S. Census, total state and local government direct general expenditures in New Jersey were $44.3 billion in 1999 (the most recent year for which comparable census data are available), or about $5,443 per capita. This is above the national average of $5,129, but significantly below neighboring states of New York ($7,351), Connecticut ($5,999), and Delaware ($5,946) and somewhat greater than Pennsylvania ($5,105). Spending growth has also been significant for both the state and local governments, and should be linked to the rate of inflation and/or population growth.

Option Two: Go where the money is

State government spending is generally allocated among several areas, including support for public education (30%); direct state services such as the state police and public operations (21%); human services (15%): aid to county and municipal government (8.5%): support for higher education (6.5%); and other (19%), which includes many important items such as debt service, pensions, economic development. Local government spending consists of spending by school districts (for primary and secondary education), by municipalities (primarily for public safety and public works), and by counties (primarily for health and welfare, corrections, public works, and education—including county colleges and vocational schools).

Local education is the largest area of spending for both the state and local government. Reducing education expenditures may prove difficult in that much of the local education spending in New Jersey is in response to decisions by the New Jersey Supreme Court (the so-called Abbott decisions) and the federal IDEA (which governs many of the expenditures for special education in the state).

Reducing Medicaid—one of the largest and fastest growing components of state spending—would prove difficult given recent changes in federal government policies which shift more and more of the responsibilities for senior health care from the federally funded Medicare program to the joint federal and state funded Medicaid program. Moreover, given the structure of the cost-sharing arrangement for Medicaid, a $1 reduction in state spending would result in a $2 reduction in total spending for the program.

Reducing spending on the Corrections Department, which runs the state's prison system and is the second fastest-growing component of state spending in recent years, would mean revising the state's mandatory-minimum sentencing laws, and a likely increase in local public safety expenditures. Moreover, recent concerns about homeland security may make it difficult to consider reducing public safety and/or correctional spending for the foreseeable future.

Research has shown that spending on public works (i.e., infrastructure such as roads, bridges, sewers, and ports) and higher education (especially research and development and workforce readiness) is more important in stimulating economic development than lower taxes, so reductions in these areas could prove harmful.

Debt service is generally considered an "uncontrollable" spending category, with only very limited opportunities for even modest spending reductions through bond refinancing where interest rates and other market conditions warrant.

Option Three: Changes in the service-delivery mechanism
This option would include—either voluntarily or by mandate: 1) streamlining or reorganizing state agencies or local departments; 2) merging or consolidating local units of government (such as when the municipality of Pahaquarry was combined with Hardwick) or state departments (such as Banking and Insurance); 3) joint purchasing or shared-service arrangements; 4) greater reliance on contracting-out services or privatization (such as what several states have done for their jails and prisons); 5) changing of bureaucratic customs (such as preventing end-of-the-fiscal-year spending sprees for agencies or so-called "Christmas Tree" supplemental spending by the Legislature); and 6) changing the structure (i.e., the number or types) of local governments (although recent research shows that the savings from such an action are modest).

Option Four: Targeted spending cuts
This approach involves targeted cuts in specific agencies, types of governments, or services (such as the elimination of the State Energy Department or recent proposals to eliminate county government). It would also include efforts to shorten the normal hours of operation for local libraries, close parks, lengthen the maintenance cycle for capital facilities, increase tuition for students at public colleges and universities, increase individual co-pays for Medicaid recipients, and reduce aid to selected individuals

or local governments. This approach asks particular recipients of services or units of government to bear a disproportionate share of the total burden for cutting spending (and reducing property taxes) through layoffs, furloughs, and early retirements of government workers or through delays in needed expansion of selected programs (as when no new eligible individuals were permitted to join the state's "Senior Property Tax Freeze" program).

Option Five: All share in the pain
This approach removes the discretion and distributes the burden of reducing spending among all individuals, services, and agencies/units of government. Traditional methods include spending controls such as imposing "freezes" on travel, hiring, salaries, program benefits, and/or overall spending and across-the-board spending cuts. This approach assumes that all individuals, situations, programs, and circumstances are equally important.

Option Six: Reduce indirect spending through the tax code
Relatively few taxpayers are aware of the significant amount of spending (often done in the name of promoting economic development) done through the state tax code through abatements, credits, deductions, and exemptions to various businesses under many programs created at the state and county level. In these situations, the "normal" tax liability is reduced or eliminated in an effort to encourage some type of behavior or activity. Although large amounts of resources are involved, there is generally little oversight or accountability of the resources used and the objectives that they were designed to achieve.

Option Seven: Controlling future spending growth
Several mechanisms are frequently employed to aid in controlling spending. For example, the Legislature can limit by decree the amount that the state or local units can spend in aggregate, or for any particular service. Such caps can be on total spending, spending for selected services, total revenues, revenues from selected sources, indebtedness, or on the year-to-year changes in any of these variables. Governor McGreevey's recent call for a 2.5% "cap" on spending by all units of government is an example of this approach. Where such controls are used, provisions are often made to allow for exceptions in cases where workloads increases (i.e., increases in the size of the population eligible for a particular service) and for inflation-induced increases in the normal costs of providing the service.

Alternatively, the Legislature can implement requirements for voter approval of all budgets (or for those above a certain rate of growth) or for approval by "super majority" votes by legislative bodies for any increases in spending. Where such controls are implemented, provisions are often built in to allow for emergency spending in case of natural or man-made disasters.

In pursuing any of these options, it is important to note that:

- Reducing spending may produce undesirable results by increasing upward pressures on property taxes and/or reducing the availability of alternative revenues by reducing economic development in the state.
- Providing efficiently produced and high-quality services that respond to the needs of the residents in the state may be a more appropriate goal than the somewhat arbitrary approaches to reducing or controlling spending described above.

New Jersey Property Tax Convention Task Force

The duties of the New Jersey Property Tax Convention Task Force included:

"Considering and developing recommendations regarding the process of conducting a constitutional convention designed to change the existing property tax system."

Meeting during the fall of 2004, the Task Force held public hearings and convened special sessions at which individuals and organizations were invited to make presentations. Among the presenters were representatives of the business community, civic and non-profit organizations, organized labor, academics, and other "experts." The work of the Task Force was concluded on December 31, 2004 with the submission to the Governor and Legislature of its findings and recommendations in a final report. The major recommendations included:

DELEGATES

- Eighty delegates, two from each legislative district, should be elected by voters simultaneously with the vote on the holding of the convention at the general election in November 2005.

- To help ensure a diverse and representative group of delegates, the Task Force favored that there be ten additional delegates appointed by the Governor and legislative leaders.

- Legislators and all other elected officials should be permitted to seek election as a delegate.

- Positioning on the ballot should be rotated so that "luck of the draw" does not influence the election results.

- Delegate elections should be nonpartisan and neither party affiliation nor any slogan should appear next to a candidate's name on the ballot, and bracketing of two or more candidates should be prohibited.

- There should be a $500 limit on contributions to delegate election campaigns from any source.

- A voluntary spending limit of $25,000 should apply to delegate candidates with negative publicity if exceeded.

- Delegates should not be compensated for their services but should be reimbursed for necessary out-of-pocket expenses.

SCOPE

- The enabling act should clearly state that the convention will be strictly limited to considering and making recommendations to reform the current system of property taxation and that these recommendations must further one or more of the following goals: eliminating inequities in the current system of property taxation, especially as they affect low and moderate income residents; ensuring greater uniformity in the application of property taxes; reducing property taxes as a share of overall public revenue; providing alternatives that reduce the dependence of local governments on property taxes; and providing alternative means, including possible increases in other taxes, of funding local government services.

- The convention should restrict its consideration to revenue issues.

- The constitutional requirement for a “Thorough and Efficient” public education should not be changed.

- The Supreme Court rulings on Affordable Housing should not be changed.

- There should be a requirement that proposals be revenue neutral.

- The Task Force recommended that the convention be authorized to propose both statutory changes and constitutional amendments.

- A panel of three retired jurists, appointed by the Chief Justice of the New Jersey Supreme Court, should review proposals during the course of the convention and before final adoption to make sure the proposals do not exceed the convention’s scope.

THE CONVENTION

- The convention should be held at Rutgers University in New Brunswick.

- The convention should convene soon after delegates are elected (in December) to organize itself and to give direction to staff for research projects. The convention should start deliberations March 31, 2006 and complete its work by July 31, 2006.

- Research for the delegates before the convention begins its deliberations, including the compilation of draft rules for operation of the convention, should be prepared by the Legislative Services Commission.

- Delegates should adopt rules for the convention, which shall require a majority vote on any proposal that ultimately is submitted to the voters.

- The convention should submit its aggregate recommendations to the voters as a single referendum question.

- The proposed convention referendum question should be placed on the November 2006 ballot.

- The convention should be authorized to conduct a public education campaign (neutral in content) about its proposals.

- $3.845 million should be appropriated for the entire convention process, including election expenses attributable to the 2005 public question and the delegates.

Legislation containing the recommendations of the Task Force was introduced in January 2005 by Assembly Majority Leader Joe Roberts (A-5269 and ACR-25). A public hearing on the legislation was held January 13, 2005. Several groups opposing a convention are suggesting that property tax reform be undertaken by the Legislature, either during regular or special session. Other opponents contend that the convention should consider all governmental spending issues.

Amendments and refinement of the final convention proposal are currently underway, with particular attention being paid to language which will insure that property tax reductions recommended by the convention are sustainable over time.

Delegates

Christopher Allyn, Morristown
Norm Alworth, Long Valley
Ralph Andrews, North Brunswick
David Arensburg, Maplewood
Donald C. Asay, Mannington
Jerome Bacchetti, Moorestown
Niladri Nath Bagchi, Kearny
Margaret Baldwin, Towaco
Richard Balsley, Lebanon
Richard A. Barrow, Hardwick
Bobbi Bauer, Cresskill
Lisa Erickson Becker, Barnegat
Rahn O. Beeson, Columbus
Barbara Belasco, South Orange
Victor Bellace, Cherry Hill
Mike Bennett, Voorhees
William Berg, Whitehouse Station
Ann N. Bergenstock, Point Pleasant
Joshua Berry, Blackwood
Cecilia Xie Birge, Belle Mead
Moira Blake, Bernardsville
Mark Bombace, Ridgewood
Linda B. Bowker, Mt. Laurel
Loretta Bradley, Passaic
Nancy M. Brail, Beach Haven
Dianne Brake, Princeton
Sheila Brogan, Ridgewood
Irene Brown, Glen Rock
Vicente Henri Brown, Newark
William Brown, Glen Rock
Cheryl Burkit, Washington
Ellen Byrne, Bernardsville
Peter A. Cantu, Plainsboro
Dave W. Chitty, Sea Girt
Albert L. Chu, Randolf
Frank J. Citino, Barnegat
Roy Clouser, Haddenfield
Martin I. Cohen, Paramus
Roger J. Cohen, Glen Ridge
Zena Cohen, Cherry Hill
Ted Colanduno, Franklinville
Katie Cole, Pompton Lakes
Jeffrey C. Coleman, Jersey City
Fred Len Colica, Toms River
Lorenzo Corsi, New Providence
Marie A. Curtis, Oakhurst
Linda Czipo, North Brunswick
Paul Daniele, Ridgefield
Kathleen Davis, Woodbury
Christian Davis, Newark
Robert N. Davison, Caldwell
Evelyn de Castro, Nutley
Lois de Vries, Lafayete
Lynn J. Dell, Iselin
Peter Digiambattista, Bellmawr
Annette Dorf-Hills, Cherry Hill
Dawn Drake, Convent Station
Larry Drake, Convent Station
Margaret Drozd, Spotswood
Frank J. Druetzler, Morris Plains
Ernest Dubay, Columbus
Lawrence S. Dunning, Brielle
Geoff Eaton, Old Bridge
Anna Ebinger, Hammonton
Larry Edsall, Hamburg
Jerry Fitzgerald English, Summit
Abigail Fair, Green Village
Virginia E. Felsen, S. Belmar
Leslie M. Ficcaglia, Port Elizabeth
Raymond P. Flynn, Old Bridge
Bernadette Foley, Blairstown
Steve Fonda, Manasquan
Thomas Foregger, Berkeley Heights
Hank Forrest, Hoboken
Maryann Foss, Cherry Hill
Ann M. Franzeo, Voorhees
Malcolm C. Fraser, Cape May Point
J. Furey, Moorestown
Robert Golieb, Mt. Laurel
Jeffrey Gora, Oldwick
Barbara Greer, Lawrenceville
Stanley Gurski, Roselle
Bruce Harris, Chatham
Gwendolyn Harris, Trenton
Monifa Banks Harrison, Trenton
Donald Hartman, Eastampton
Alan M. Haveson, Berkeley Heights
Gemma Haynes, Long Branch
Rich Held, Bradley Beach
Robert G. Herbert, Neptune
Dave Herdeg, Cherry Hill
Eli Hiller, Cherry Hill
William A. Hobday, Lakewood
Barbara Horl, Red Bank
Michael Horn, Newark
Matthew House, North Brunswuck
Shing-Fu Hsueh, West Windsor
David Huemer, Maplewood
Ben Iacovelli, Columbus
Joseph Inserra, New Providence
Milton M. Itell, Lakeweood
Frank James, Carteret
Zaheer Jan, Bedminster
Frank Kardashian, Spotswood
Milton Keenan, Woodbury
Patricia Kelly, Ramsey
Ellwood R. Kerkeslager, Madison
Sheldon Kinbar, Cherry Hill
Vivian Sanks King, Newark
Caroline Knauss, Ramsey
Laurel Kornfeld, Highland Park
Joseph E. Krimko, Ocean Grove
Donald Krueckeberg, New Brunswick
John Langan, Lakewood
Rosemarie Lange, Oak Ridge
Louis J. Lanzerotti, New Vernon
Harry Larzelere, Turnersville
Steve R. Latz, Maplewood
Arthur Lee, Far Hills
Sylvia M. Lee, Kendall Park
Michele Lenhard, Ridgewood
Christine M. Leone-Zwillinger, Cherry Hill
Kathy Leventhal, Maplewood
Winifred Livengood, Basking Ridge
Bill Luithle, Basking Ridge
Allan Lyons, Marlton
Joan Macey, Pitman
Cathy Malmstrom, Peapack
Helen S. Manogue, Hoboken
Robert Marcino, Galloway
Mark Markos, Cherry Hill
Ann E. Marks, Lindenwold
George Martch, West Windsor
Nancy A. Martin, Helmetta
John Mathieu, Stockton
Sandra Matsen, Annandale
Claude McAllister, Sewell
Kevin McClair, Ridgewood
Sean McCormack, Basking Ridge
Katheryne McCormick, Bridgewater
William E. McCracken, Warren
Margaret McGarrity, Andover
Jose Medeiros, Glen Gardner
Brenda Melli, Hoboken
Alvin J. Melveger, Flanders
Barbara E. Melveger, Flanders
John Meyerle, Point Pleasant
James J. Miller, Deptford
John Miscenich, Delran
Allison E. Mitchell, Stockton
Carleton Montgomery, Medford
Gerald P. Mulvaney, Marlton
Rosalie Murray, Blairstown
Dolores Narducci, Brigantine
Nick Naum, Cherry Hill
Dick Nesbitt, Basking Ridge
Mary Nevius, Egg Harbor Township
Patricia Nicgorski, Woodbury
Craig Ollenschleger, Bloomingdale
Russell Onderkor, Hackettstown
Anthony Orsini, Holmdel
Henry Paglianite, Whitehouse Station
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Michael Patrick, Erial
Robert Patten, Hightstown
Barrie Peterson, S. Orange
Creed S. Pogue, Estell Manor
Stan G. Puszcz, Sparta
Dee Quarius, Hoboken
Barbara Racynski, Helmetta
Glorianne H. Robbi, Hopewell
Dorothy Rossmann, Roselle Park
Patrick M. Rumaker, Pitman
Delores Ruple, Wenonah
Mark Salisbury, Bernardsville
Carol Salzberg, Toms River
Jane Santini, Columbia
David M. Scheck, Springfield
Judith Schleicher, Denville
Madeline Scott, Monroe
Leo Seger, Cherry Hill
Sammuel J. Serata, Bridgeton
Linda Seyfforth, Glen Ridge
Victor Shousha, Paramus
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Herbert D. Stiles, Jr., Elmer
Edward A. Szabo, Newton
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Michael L. Ticktin, Roosevelt
Joan Tomlin, Lawrenceville
Richard A. Tompkins, Hamilton Square
Barbara Trought, Moorestown
Tsang-Bin Tzeng, Cherry Hill
George T. Vallone, Flemington
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Neil Weisfeld, Princeton
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New Jersey Coalition for the Public Good

The New Jersey Coalition for the Public Good is a volunteer, nonprofit organization aimed at promoting good government policies and practices in New Jersey through forums, activities and reports.

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New Jersey Coalition *for the* Public Good

145 W. HANOVER STREET, TRENTON, NEW JERSEY 08618