

ASSEMBLY, No. 1268

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

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District 35 (Bergen and Passaic)

SYNOPSIS

Authorizes State constitutional convention to reform system of property taxation; makes appropriation.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** providing for a State constitutional convention to reform
2 the current system of property taxation, and making an
3 appropriation.
4

5 **WHEREAS**, All political power is inherent in the people and
6 government exists for the protection, security and benefit of the
7 people; and

8 **WHEREAS**, The people of this State have reserved to themselves, as
9 part of their intrinsic sovereignty, the right to alter or reform the
10 State Constitution when the public good may require it; and

11 **WHEREAS**, The current system of property taxation in this State is
12 unfair because it is not based on the ability to pay and is applied
13 in an inequitable and nonuniform manner; and

14 **WHEREAS**, There is a need to revise and amend the State
15 Constitution and the statutes to lessen the dependence of local
16 government on property taxes, reduce property taxes as a share
17 of overall public revenue, and find alternative means of funding
18 local government services; and

19 **WHEREAS**, The Legislature, when considering proposals for broad
20 restructuring of revenue sources, recognizes that there is great
21 political risk in making recommendations which the general
22 public might perceive as increasing taxes; and

23 **WHEREAS**, It is, therefore, essential that the citizens of New Jersey
24 are fully engaged in the effort to restructure taxes; and

25 **WHEREAS**, The most effective way to have maximum participation
26 is a public vote on whether or not to proceed with a tax reform
27 process and, if this question is approved, another vote by the
28 public to ratify the recommendations for tax reform; and

29 **WHEREAS**, The convening of a constitutional convention for the
30 purpose of recommending amendments to the New Jersey
31 Constitution and changes to the statutes, is the most appropriate
32 method for building a consensus for, and implementing, reform;
33 now, therefore,
34

35 **BE IT ENACTED** *by the Senate and General Assembly of the State*
36 *of New Jersey:*
37

38 1. A constitutional convention shall convene in New
39 Brunswick at Rutgers, the State University, or if a suitable facility
40 at Rutgers is unavailable at a location selected by the Governor, on
41 May 8, 2013 for the purpose of proposing amendments to the New
42 Jersey Constitution and changes to the statutes, which revise the
43 system of property taxation in this State, following approval by the
44 voters of the holding of such a convention and the election of
45 delegates thereto in the manner provided by this act.
46

47 2. The convention shall recommend amendments to the New
48 Jersey Constitution and changes to the statutes, which, while

1 revenue neutral in their overall impact, eliminate inequities in the
2 current system of property taxation, especially as those inequities
3 may affect low and moderate income residents of this State, ensure
4 greater uniformity in the application of property taxes, reduce
5 property taxes as a share of overall public revenue, provide
6 alternatives which lessen the dependence of local government on
7 property taxes, or provide alternative means, including possible
8 increases in other taxes, of funding local government services. The
9 convention shall also recommend means, consistent with its
10 mandate of establishing how revenue ought to be raised in New
11 Jersey, to ensure that reductions in property taxes, or limits on
12 increases thereof, shall be sustained over time. As used in this act,
13 "revenue neutral" means that the aggregate amount of all revenues
14 enacted under powers of the State, as accurately as can be estimated
15 and measured, shall be the same after changes recommended by the
16 convention as they were before such changes. The convention shall
17 be limited to considering and making recommendations in regard to
18 the aforesaid matters and the implementation thereof. The
19 convention shall not agree upon, propose or submit to the vote of
20 the people any amendment to the New Jersey Constitution, or any
21 revision to the statutes, which detracts from the obligation of the
22 Legislature, pursuant to Article VIII, Section IV, paragraph 1 of the
23 New Jersey Constitution, to provide for the maintenance and
24 support of a thorough and efficient system of free public schools or
25 from the obligation of any municipality to provide affordable
26 housing pursuant to decisions of the New Jersey Supreme Court.
27 The convention shall not consider or recommend any proposal
28 providing for a Statewide equalized school property tax, or
29 detracting from collective bargaining rights or dispute resolution
30 procedures as those rights and procedures exist on the effective date
31 of this act, or that fails to provide tenants of residential rental units
32 with their proportionate share of any property tax reduction, in a
33 non-discriminatory manner, for as long as the reduction lasts.

34
35 3. The convention shall complete and agree upon its proposal
36 for constitutional amendments and statutory changes no later than
37 August 26, 2013 and provide for the submission thereof as a single
38 public question, except as otherwise permitted by section 21 of this
39 act, at the general election to be held in November 2013, for
40 approval or rejection by the voters. Any changes of the statutes
41 recommended by the convention and approved by the voters at that
42 general election shall thereafter be subject to amendment or repeal
43 by the Legislature and the Governor in the same manner as other
44 laws enacted by the Legislature and the Governor.

45
46 4. In order to determine whether a constitutional convention
47 shall be convened, the Secretary of State shall arrange for
48 submission of the public question set forth in section 5 of this act to

1 the people at the general election held in November 2012 in the
2 manner provided for the submission of public questions to the
3 people of this State by Article II, Section I, paragraph 2 of the New
4 Jersey Constitution, this act and Title 19 of the Revised Statutes.
5 The approval by the voters at the general election of the holding of
6 the convention shall be deemed to be an exercise of the inherent
7 sovereignty of the people to confer upon the convention authority to
8 recommend relevant changes to the Constitution, as well as to the
9 law pursuant to a temporary constitutional amendment approved at
10 either the 2012 or 2013 general election, and to make those changes
11 subject to approval by the electorate at the general election held in
12 November 2013.

13

14 5. The public question as to whether a constitutional
15 convention shall be convened in the manner provided by this act
16 shall be submitted to the people at the general election in November
17 2012 in the following manner and form:

18 There shall be printed on each official ballot to be used at the
19 general election, the following:

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

22 If you favor the proposition printed below make a cross (x), plus
23 (+) or check (T) in the square opposite the word "Yes."

24 If you are oppose thereto make a cross (x), plus (+) or check (T)
25 in the square opposite the word "No."

26 b. In every municipality the following question
27

	YES	<p>STATE CONSTITUTIONAL CONVENTION TO REFORM SYSTEM OF PROPERTY TAXATION</p> <p>Do you approve the holding of a State Constitutional Convention solely for the purpose of preparing for submission to the voters of this State at the general election in November 2013, for their approval, amendments to the New Jersey Constitution, and, pursuant to a temporary amendment to the New Jersey Constitution proposed by a separate ballot question at this, or the next subsequent, general election, changes to existing law, which, while revenue neutral in their overall impact, eliminate inequities in the current system of property taxation, especially as those inequities may affect low and moderate income residents of this State, ensure greater uniformity in the application of property taxes, reduce property taxes as a share of overall public revenue, provide alternatives which lessen the dependence of local government on property taxes, or provide alternative means, including possible increases in other taxes, of funding local government services, and ensure that reductions in property taxes, or limits on increases thereof, are sustained over time but which do not detract from the obligation of the Legislature, under the New Jersey Constitution, to provide for the maintenance and support of a thorough and efficient system of free public schools or from the obligation of any municipality to provide affordable housing pursuant to decisions of the New Jersey Supreme Court , and which do not propose a Statewide equalized school property tax, or detract from collective bargaining rights or dispute resolution procedures, or fail to address the application of reductions in property taxes to tenants of residential rental units?</p>
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		<p>INTERPRETIVE STATEMENT</p> <p>Approval of this public question will authorize the holding of a State Constitutional Convention. The purpose of the convention would be to reform this State's system of property taxation. The convention would be responsible for proposing amendments to the State Constitution and, pursuant to a separate ballot question at this, or the next subsequent, general election, changes to the statutes, which, while revenue neutral in their overall impact, make the current system of property taxation fairer, reduce property taxes as a percentage of public revenue, lessen local government dependence on property taxes, or provide alternative means, including possible increases in other taxes, of funding local government services and ensure that reductions in property taxes, or limits on increases thereof, are sustained over time. The convention would be strictly prohibited from considering any other issues. The convention would be specifically prohibited from making any proposal that detracts from the obligation of the Legislature, under the New Jersey Constitution, to provide for the maintenance and support of a thorough and efficient system of free public schools or from the obligation of any municipality to provide affordable housing pursuant to decisions of the New Jersey Supreme Court. The convention would also be prohibited from proposing a Statewide equalized school property tax, or detracting from collective bargaining rights or dispute resolution procedures, or failing to address the application of reductions in property taxes to tenants of residential rental units. The convention's proposal would be submitted to the voters for their approval at the general election in November 2013.</p>
	NO	

1 6. At a special election held at the annual school election in
2 April 2013, the people shall elect delegates to the convention who
3 shall serve in the event that the holding of the convention is
4 authorized. Two delegates shall be elected from each of the 40
5 legislative districts for a total of 80 elected delegates to the
6 convention.

7 The Secretary of State shall make such necessary adjustments to
8 the conduct of the annual school election, in regard to hours, polling
9 places, records, election officers and employees, and any other
10 matter, as may be necessary to accommodate the holding of the
11 special election on the day of the annual school election.

12 Notwithstanding the provisions of any other law to the contrary,
13 the board of canvassers shall certify the results of the election for
14 delegates not later than three weeks after the date of the election.

15
16 7. a. In order to be eligible for election to the office of
17 delegate, a candidate, on April 16, 2013, shall be at least 21 years of
18 age and have been a citizen and resident of this State for two years.
19 No person shall be eligible for election to the office of delegate
20 unless that person is entitled to the right of suffrage.
21 Notwithstanding the provisions of any other law to the contrary, no
22 person shall be ineligible to be elected, or to serve, as a delegate
23 because that person holds any local elective public office. No
24 member of the Legislature shall be eligible to be elected, or to
25 serve, as a delegate. Each candidate shall be nominated by a
26 separate petition filed with the Secretary of State before 4:00 p.m.
27 of the 57th day prior to the special election. Each nominating
28 petition shall be signed by at least 100 registered voters in the
29 legislative district from which the delegate seeks election.

30 b. A candidate for the office of delegate shall be subject to the
31 provisions of "The New Jersey Campaign Contributions and
32 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.),
33 which apply to a candidate for the office of member of the
34 Legislature, except joint candidate committees shall not be
35 permitted, and the limit on the amount of a contribution from each
36 contributor shall be \$250, and no contributor shall contribute more
37 than \$6,250 in the aggregate to all candidates for the office of
38 delegate. No labor organization and no corporation, organized
39 under the laws of this State or of any other jurisdiction, shall make
40 a contribution to a candidate for the office of delegate, and no such
41 candidate shall accept such a contribution. If a candidate for the
42 office of delegate also maintains or controls another committee, that
43 committee shall not contribute to the candidate's delegate
44 committee. Each candidate for the office of delegate shall maintain
45 a separate committee for the purpose of seeking that office.

46 c. There is established a voluntary limit of \$25,000 on
47 expenditures made in connection with a candidacy for the office of
48 delegate. Any candidate for the office of delegate, or any

1 committee, group or organization in support of that candidate, that
2 voluntarily pledges to adhere to that limit and expends \$25,000 or
3 less in connection with that candidate's candidacy may include on
4 its campaign materials a statement indicating that the candidate,
5 committee, group, or organization has complied with the voluntary
6 campaign expenditure limit established by this section. Any
7 candidate for the office of delegate, or any committee, group or
8 organization in support of that candidate, that expends more than
9 \$25,000 in connection with that candidate's candidacy shall include
10 on all subsequent campaign materials a statement indicating that the
11 candidate, committee, group, or organization has exceeded the
12 voluntary campaign expenditure limit established by this section.

13 d. In addition to the requirements described in section 2 of
14 P.L.1995, c.391 (C.19:44A-22.3), any committee, group, or person,
15 which makes, incurs, or authorizes an expenditure for a
16 communication with the electorate that names a candidate for the
17 office of delegate, or aids or promotes the nomination, election, or
18 defeat of such a candidate, or provides political information on such
19 a candidate, within 60 days of April 16, 2013, shall report, within
20 48 hours and on a continuing basis, any contribution greater than
21 \$300 it received or receives, as well as all expenditures it made or
22 makes, after November 6, 2012 to the Election Law Enforcement
23 Commission, unless that committee, group, or person is otherwise
24 required to report such information to the commission pursuant to
25 P.L.1973, c.83 (C.19:44A-1 et seq.). The provisions of this
26 subsection shall not apply to a bona fide news item or editorial in
27 general circulation, or to any candidate debate or forum.

28 e. Any entity that campaigns for the election or defeat of a
29 candidate for the office of delegate, including but not limited to
30 clearly identifying a candidate in a television advertisement, radio
31 advertisement, Internet advertisement, print advertisement,
32 billboard, lawn sign, or mass mailing, within 60 days of the special
33 election shall not accept any contribution in the amount of more
34 than \$250 and shall report to the Election Law Enforcement
35 Commission any contribution it receives in the amount of \$50 or
36 greater.

37 f. The Election Law Enforcement Commission shall adopt
38 rules to effectuate the purposes of this section and shall provide for
39 the immediate public disclosure, including posting on the Internet,
40 of all contributions of \$50 or greater received by a candidate for the
41 office of delegate.

42 g. The Secretary of State, the board of canvassers, and all
43 election officials shall ensure that the results of the election of
44 delegates are certified on an expedited basis to accommodate the
45 convening of the convention on May 8, 2013.

46

47 8. Each nominating petition shall set forth the name, place of
48 residence and post-office address of the candidate nominated by

1 that petition, that the nomination is for the office of delegate to the
2 State constitutional convention to be convened in accordance with
3 the provisions of this act, that the signers of the petition are
4 registered to vote within the legislative district from which the
5 delegate seeks election and pledge to support and to vote in favor of
6 that candidate for the office of delegate, and that the signers have
7 not signed more than one other nominating petition for the office of
8 delegate. Each person signing a nominating petition shall add
9 thereto the person's place of residence and post-office address.

10
11 9. A petition shall not include any designation, slogan or
12 statement of affiliation with a political party or other organization.
13 Each petition shall name three persons as a vacancy committee. In
14 the event a vacancy in the nomination occurs for any reason, the
15 committee shall have the power to file a certificate of nomination
16 with the Secretary of State to fill the vacancy.

17
18 10. Each nominating petition, at the time it is filed with the
19 Secretary of State, shall be accompanied by a written acceptance of
20 the nomination signed by the nominee. In the acceptance, the
21 nominee shall certify that the nominee meets the requirements set
22 forth in section 7 of this act, that the nominee consents to stand as a
23 candidate for election to the office of delegate to the constitutional
24 convention, and that, if elected, the nominee agrees to take office
25 and serve as a delegate from the legislative district from which
26 elected.

27
28 11. Each nominating petition shall be signed by the circulator
29 thereof who shall certify that the petition was signed by the signers
30 thereof, that to the circulator's best knowledge and belief the
31 signers meet the qualifications required of signers by section 8 of
32 this act, and that the petition is prepared and filed in good faith for
33 the sole purpose of nominating the person named therein for the
34 office of delegate to the constitutional convention.

35
36 12. A nominating petition filed with the Secretary of State as
37 provided in this act shall be a public record pursuant to P.L.1963,
38 c.73 (C.47:1A-1 et seq.). An objection to the validity of a petition
39 shall conform to the provisions of Title 19 of the Revised Statutes
40 regarding petitions directly nominating a candidate for election to
41 public office at the general election. A vacancy in a nomination
42 occurring for any reason shall be filled by the vacancy committee
43 named in the nominee's petition.

44
45 13. The Secretary of State, on or before the 48th day before
46 April 16, 2013, shall deliver to each county clerk a notice of the
47 names of persons nominated for election to the office of delegate to
48 be elected from each legislative district located in whole or in part

1 within that county and it shall be the duty of the Secretary of State
2 and the county clerks to arrange for the election of delegates to the
3 constitutional convention in accordance with the provisions of this
4 act and of Title 19 of the Revised Statutes to the extent that the
5 provisions of Title 19 are not inconsistent with this act.

6
7 14. Each county clerk shall prepare the ballots required for the
8 general election to be held in November 6, 2012 to include the
9 public question proposed by section 5 of this act and shall prepare
10 the ballots required for the special election at the annual school
11 election to be held in April 2013 to provide for the election of
12 delegates to the constitutional convention, in the manner provided
13 by this act.

14
15 15. Each county clerk shall arrange for the placement of
16 nominees for the office of delegate in the following manner. The
17 county clerk shall list the nominees in random order on the ballot
18 for one election district in a legislative district, or part thereof,
19 within the county. In each succeeding election district, the county
20 clerk shall move the name at the top of the list in the preceding
21 district to the bottom of the list in the subsequent district and shall
22 continue in like manner in each succeeding election district so that
23 the order in which the names of nominees appear on the ballot
24 rotates by one name in each succeeding election district within the
25 legislative district, or part thereof, located within that county.
26 Nominees for the office of delegate shall be listed on the ballot
27 separately from candidates for other offices. A nominee for
28 delegate shall not be bracketed with any other nominee on the ballot
29 and no designation, slogan or affiliation for a nominee shall be
30 printed on the ballot. The ballot shall instruct the voter to "vote for
31 two" nominees as delegates to the constitutional convention.

32
33 16. The votes cast for delegates in each legislative district shall
34 be counted, and the results thereof returned by the election officials,
35 and a canvas of such election made as provided by law in the case
36 of members of the General Assembly. The two nominees who
37 receive the greatest number of votes in each legislative district shall
38 be the delegates from that district to the constitutional convention.
39 The Secretary of State shall determine and declare the persons
40 elected as delegates to the constitutional convention.

41
42 17. In addition to the 80 elected delegates to the convention,
43 there shall be 10 additional delegates appointed, two each by the
44 Governor, the President of the Senate, the Minority Leader of the
45 Senate, the Speaker of the General Assembly, and the Minority
46 Leader of the General Assembly. These appointments shall be
47 made within ten days of the certification of the results of the
48 election for delegates. In making the appointments, the appointing

1 authorities shall take into consideration this State's demographic
2 diversity and the degree to which that diversity is represented by the
3 delegates elected to the convention. An individual who failed to be
4 elected as a delegate to the convention shall be eligible to be
5 appointed as a delegate pursuant to this section.

6
7 18. The Governor shall open the convention and preside at its
8 first session and until permanent officers are selected. The
9 convention shall be the judge of the qualifications of its members
10 and their election or selection. The convention shall choose, by a
11 majority vote of its membership, a president and a secretary and all
12 other appropriate officers from among the delegates, prescribe their
13 functions, powers and duties, and make rules and regulations for the
14 conduct of its business. Before entering upon office, each delegate
15 shall take and subscribe an oath or affirmation, before any person
16 qualified to administer an oath, that the delegate will faithfully
17 discharge the duties of delegate.

18
19 19. a. If any elected delegate shall die, resign, remove from the
20 State or the legislative district from which elected or otherwise
21 become disqualified from serving, or if a vacancy occurs in the
22 office of elected delegate for any reason, the delegate's vacancy
23 committee, designated in the candidate's nominating petition, shall
24 fill the vacancy.

25 b. If any appointed delegate shall die, resign, remove from the
26 State or otherwise become disqualified from serving, or if a vacancy
27 occurs in the office of such a delegate for any reason, the
28 appointing authority shall, within 10 days of the occurrence of the
29 vacancy, fill the vacancy.

30
31 20. a. The Chief Justice of the New Jersey Supreme Court shall
32 appoint a committee of three retired members of the Judiciary, no
33 more than two of whom shall be of the same political party, to
34 review proposals prepared by the convention during the course of
35 the convention's proceedings and advise the convention whether
36 such proposals are in compliance with the convention's instructions
37 as voted by the people and do not exceed those instructions or the
38 convention's limited purpose in any way. The convention shall not
39 take a vote on its final proposal to be placed on the ballot for voter
40 approval unless the committee has certified that the convention has
41 complied with its instructions and not exceeded those instructions
42 or its limited purpose.

43 Any action in the courts of this State challenging the
44 convention's final proposal shall be filed within three business days
45 of the adoption thereof and all proceedings thereon shall be
46 conducted in an expedited manner. In any judicial proceeding, the
47 convention's proposal, as well as a certification made by the
48 committee in regard to that proposal, shall be entitled to a

1 presumption of validity. The convention shall form the question
2 and interpretive statement to be placed upon the ballot.

3 When the convention by a majority vote of its members shall
4 have agreed upon a proposal of amendments to the State
5 Constitution reforming the system of property taxation, as well as
6 any necessary changes to the statutes, and the manner of submitting
7 the proposal to the voters, an original and two true copies thereof
8 shall be prepared, signed by the president and the secretary of the
9 convention and filed with the Secretary of State and the Chief
10 Justice.

11 b. The convention shall prepare a written address to the people
12 consisting of a summary and an explanation of the proposed
13 amendments and any statutory changes. The address shall be
14 distributed together with the sample ballots for the general election,
15 and shall be in addition to any other summary or statement which
16 may be required by law. The convention may make such directions
17 to officials and others for the submission to the people of the
18 proposed amendments and changes and for notice and publication
19 of the same and of the address, and for the distribution of copies
20 thereof to such persons, places and institutions through the office of
21 the Secretary of State or other persons and at such times and in such
22 manner as it shall determine. The convention may direct that its
23 provisions for notice, publication and distribution shall be in lieu of
24 any other such provisions of law relating to public questions.

25 The convention is authorized to take additional steps it deems
26 appropriate to make the public aware of its proposal. Any
27 information disseminated by the convention, including the address
28 to the people authorized by this section, shall be informative in
29 nature, neutral in content, and not intended to influence the outcome
30 of the vote on the proposal.

31

32 21. The convention's proposal shall be submitted to the people at
33 the general election to be held in November 2013, in such manner
34 that the voters shall approve or disapprove of all the amendments
35 and statutory changes proposed by the convention, as a single
36 measure, and shall not be permitted to approve some, but not all, of
37 the convention's proposals; except that, if a temporary constitutional
38 amendment authorizing the convention to propose statutory changes
39 for voter approval is not placed on the ballot at the 2012 general
40 election, the convention may anticipate that such a constitutional
41 amendment may be placed on the 2013 general election ballot at the
42 same time as the convention's proposal and the convention, at its
43 discretion, may structure its proposal so that, if the constitutional
44 amendment fails to receive voter approval, the convention's entire
45 proposal shall also fail, or any constitutional amendments proposed
46 by the convention and approved by the voters, but not statutory
47 changes, will be adopted. The ballots shall be counted, and the
48 results thereof determined, in accordance with the provisions of

1 Title 19 of the Revised Statutes for the submission to the people of
2 public questions to be voted upon by the voters of the entire State,
3 except as such provisions are inconsistent with this act or the
4 directions of the convention; and except as stated, all the provisions
5 of that Title are made applicable to the provisions hereof and the
6 acts to be performed hereunder.

7
8 22. If a majority of all votes cast for and against the adoption of
9 the convention's proposal shall be in favor of its adoption, such
10 amendments and statutory changes shall become a part of the
11 Constitution and of the statutes.

12
13 23. The Secretary of State shall certify the results of the election
14 to the Governor. If the proposal shall have been adopted in
15 accordance with the provisions of this act, the Governor shall
16 thereupon issue a proclamation which shall set forth the full text of
17 the proposal adopted.

18
19 24. The proposal submitted to the people for approval or
20 rejection shall provide in what manner and at what time such
21 proposal shall take effect if adopted at the general election.

22
23 25. The convention shall have the power to incur such expenses
24 as may be necessary in order to exercise the powers conferred on it
25 and to perform the duties imposed by this act. The convention may
26 retain such professional personnel and clerical and technical
27 assistants as it may require and may provide for the printing,
28 advertising and publication of its proceedings and of any proposal
29 considered or adopted by the convention.

30 Delegates to the convention shall serve without compensation
31 but shall be entitled to be reimbursed for their actual and necessary
32 expenses incurred in the performance of their duties.

33 All expenses must be approved by the president and the secretary
34 of the convention and shall be submitted to the Treasurer of the
35 State upon vouchers or warrants.

36
37 26. Upon the approval by the voters of the convening of a
38 constitutional convention pursuant to this act, the Legislative
39 Services Commission shall: prepare draft rules for the operation of
40 the convention for submission for the convention's consideration at
41 its first meeting; and shall begin the process of recruiting qualified
42 employees who may be employed by the convention pursuant to
43 section 25 of this act. During the duration of the convention, the
44 Legislative Services Commission shall undertake such research
45 tasks as the convention shall request.

46 The Legislative Services Commission shall also undertake a
47 series of research tasks for the benefit of the convention in advance
48 of the convening of the convention which shall include, but not be

- 1 limited to:
 - 2 an update of the research data provided to the New Jersey Tax
 - 3 Policy Committee of 1972, the State and Local Expenditure and
 - 4 Revenue Policy Commission of 1985-88, and the Governor's
 - 5 Property Tax Commission of 1997;
 - 6 an analysis of existing State revenues, including sales, income,
 - 7 business and other taxes, as well as fees, assessments and bond
 - 8 financing;
 - 9 an analysis of the proportion of income paid by taxpayers at
 - 10 varying income levels for the gross income tax, sales and use tax,
 - 11 and property tax;
 - 12 an analysis of the volatility of various revenue sources under a
 - 13 range of economic conditions;
 - 14 a comparison of New Jersey's tax structure and revenue streams
 - 15 with those of other states;
 - 16 an analysis of factors, including but not limited to information
 - 17 technology, economic transformations, and demographic shifts,
 - 18 which might differentially impact particular revenue sources in the
 - 19 future;
 - 20 a review and analysis of the property tax assessment system by
 - 21 area and by type of property;
 - 22 an analysis of the social, land use and other effects of the State's
 - 23 heavy reliance on property taxes;
 - 24 an analysis of alternative revenue sources and structures,
 - 25 including but not limited to, tax base sharing, municipal surcharge
 - 26 on income tax, personalty tax on intangibles, and increased rates of
 - 27 present taxes, as well as a review of various alternative sources and
 - 28 adjustment of existing sources; and
 - 29 an evaluation of the appropriate allocation of responsibilities
 - 30 between the State and units of local government in providing and
 - 31 financing services.
- 32
- 33 27. There is appropriated \$3,845,000 from the General Fund to
- 34 the Department of The Treasury for the purposes of the
- 35 implementation of this act.
- 36
- 37 28. All procedural requirements of this act, all provisions and
- 38 requirements of Title 19 of the Revised Statutes made applicable
- 39 hereunder and all directions of the convention as to the manner of
- 40 the submission to the people of the proposal agreed upon, shall be
- 41 directory only, and failure to comply or faulty compliance therewith
- 42 shall not in any manner prevent the submission thereof.
- 43
- 44 29. In order that the additional costs to be incurred in the several
- 45 counties in connection with the election of delegates and the placing
- 46 of the convention's proposal on the ballot may be provided from
- 47 State funds, the Secretary of State shall ascertain the costs to be so
- 48 incurred by the several counties for the purpose of reimbursing the

1 counties from the appropriation made pursuant to section 27 of this
2 act.

3
4 30. The State House Commission shall make necessary advance
5 arrangements for the holding of the constitutional convention and
6 may avail itself and provide for the use by the convention of such
7 services and facilities of any State department, officer or agency as
8 it deems appropriate and as may be available in connection
9 therewith and as the convention may require.

10
11 31. Statutory changes proposed by the convention shall take
12 effect only if the proposal of statutory changes by the convention is
13 permitted by a temporary constitutional amendment approved by
14 the voters at the 2012 general election at which this act is also
15 approved by the voters, or at the 2013 general election at which the
16 convention's proposal is also approved by the voters.

17
18 32. Sections 4 and 5 of this act shall take effect immediately and
19 the remainder of this act shall take effect upon approval by the
20 voters of the public question set forth in section 5.

21

22

23 STATEMENT

24

25 This bill implements many of the recommendations of the New
26 Jersey Property Tax Convention Task Force. It provides for
27 convening a State constitutional convention for the sole purpose of
28 reforming, pursuant to the requirements and limitations specified by
29 this bill, the system of property taxation in this State.

30 The bill places the question of whether a convention should be
31 convened before the voters at the general election to be held in
32 November 2012. The approval by the voters at that general election
33 of the holding of a convention will confer upon the convention the
34 authority to recommend relevant changes to the State Constitution
35 and changes to the New Jersey statutes. The convention's
36 recommendations for changes to the State Constitution and changes
37 to the New Jersey statutes would be presented to the voters as a
38 single package for their approval at the general election held in
39 November 2013; except that, if a temporary constitutional
40 amendment authorizing the convention to propose statutory changes
41 for voter approval is not placed on the ballot at the 2012 general
42 election, the convention may anticipate that such a constitutional
43 amendment may be placed on the 2013 general election ballot at the
44 same time as the convention's proposal and the convention, at its
45 discretion, may structure its proposal so that, if the constitutional
46 amendment fails to receive voter approval, the convention's entire
47 proposal will also fail, or any constitutional amendments proposed
48 by the convention and approved by the voters, but not statutory

1 changes, will be adopted. Thus, statutory changes proposed by the
2 convention will become effective if a separate temporary
3 constitutional amendment authorizing the convention to propose
4 statutory changes for voter approval is adopted not later than the
5 general election at which the voters approve the convention's
6 proposal.

7 The bill provides that at the annual school election in April 2013,
8 two delegates to the convention will be elected from each of the 40
9 legislative districts, for a total of 80 elected delegates. The names
10 of candidates for the office of delegate on the ballot will rotate in
11 successive election districts in order to limit any potential impact of
12 ballot position on voter choice. A nominee for election of the office
13 of delegate would not be bracketed with any other candidate on the
14 ballot and no designation, slogan or affiliation for a nominee would
15 be printed on the ballot. The bill limits the amount of a
16 contribution to a candidate for the office of delegate from any
17 contributor to \$250 with a limit of \$6,250 in the aggregate on
18 contributions to all candidates for the office of delegate. Delegates
19 would be nominated by a petition signed by at least 100 registered
20 voters of the district from which the delegate seeks election. Local
21 elected officials would be eligible to serve as delegates, but
22 members of the Legislature would be ineligible to be elected, or to
23 serve, as delegates. Labor organizations and corporations would be
24 prohibited from contributing to the campaigns of candidates for the
25 office of delegate.

26 The bill establishes a voluntary limit of \$25,000 on expenditures
27 made in connection with a candidacy for the office of delegate.
28 Any candidate, or any committee, group or organization in support
29 of that candidate, that pledges to expend, and expends, less than that
30 amount in connection with that candidate's candidacy may include
31 on its campaign materials a statement indicating that the candidate,
32 committee, group, or organization has complied with the voluntary
33 campaign expenditure limit. Any candidate for the office of
34 delegate, or any committee, group or organization in support of that
35 candidate, that expends more than \$25,000 in connection with that
36 candidate's candidacy would be required to include on all
37 subsequent campaign materials a statement indicating that the
38 candidate, committee, group, or organization has exceeded the
39 voluntary campaign expenditure limit.

40 In addition to the 80 elected delegates to the convention, 10
41 additional delegates will be appointed, two each by the Governor,
42 the President of the Senate, the Minority Leader of the Senate, the
43 Speaker of the General Assembly, and the Minority Leader of the
44 General Assembly. These appointments will be made within ten
45 days of the certification of the results of the election for delegates.
46 In making the appointments, the appointing authorities will take
47 into consideration this State's demographic diversity and the degree
48 to which that diversity is represented by the delegates elected to the

1 convention.

2 The convention will convene on May 8, 2013 and complete its
3 work by August 26, 2013. The duty of the convention will be to
4 prepare a proposal consisting of amendments to the New Jersey
5 Constitution and, if the voters approve a temporary constitutional
6 amendment authorizing the convention to propose statutory
7 changes, changes to existing law, which, while revenue neutral in
8 their overall impact, eliminate inequities in the current system of
9 property taxation, ensure greater uniformity in the application of
10 property taxes, reduce property taxes as a share of overall public
11 revenue, provide alternatives which lessen the dependence of local
12 government on property taxes, or provide alternative means,
13 including possible increases in other taxes, of funding local
14 government services. The bill expressly provides that the
15 convention may not propose amendments affecting the obligation of
16 the Legislature, under the New Jersey Constitution, to provide for
17 the maintenance and support of a thorough and efficient system of
18 free public schools or the obligation of any municipality to provide
19 affordable housing pursuant to decisions of the New Jersey
20 Supreme Court. In addition, the convention will not consider or
21 recommend any proposal providing for a Statewide equalized
22 school property tax, or detracting from collective bargaining rights
23 or dispute resolution procedures as those rights and procedures exist
24 on the effective date of this act, or that fails to provide tenants of
25 residential rental units with their proportionate share of any
26 property tax reduction, in a non-discriminatory manner, for as long
27 as the reduction lasts. Any changes of the New Jersey statutes
28 recommended by the convention and approved by the voters at the
29 general election held in November 2013 will thereafter be subject to
30 amendment or repeal by the Legislature and the Governor in the
31 same manner as other laws.

32 The convention is limited to considering the issue of tax reform.
33 It may not consider any other issues. The bill directs the Chief
34 Justice of the New Jersey Supreme Court to appoint a committee of
35 three retired members of the Judiciary, no more than two of whom
36 shall be of the same political party, that will review proposals
37 prepared by the convention during the course of the convention's
38 proceedings and advise the convention whether such proposals are
39 in compliance with the convention's instructions as voted by the
40 people and do not exceed those instructions or the convention's
41 limited purpose in any way. The convention will not take a vote on
42 its final proposal to be placed on the ballot for voter approval unless
43 the committee has certified that the convention has complied with
44 its instructions and not exceeded those instructions or its limited
45 purpose.

46 The bill directs the Legislative Services Commission to
47 undertake certain research tasks in advance of the convention, as
48 well as during the convention, and to recruit qualified employees

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1 who may be employed by the convention.

2 The bill appropriates \$3,845,000 to effectuate its purposes.