

Measure No. 5 STATE OF OREGON

Proposed by initiative petition to be voted on at the general election, November 6, 1990.

BALLOT TITLE

5 STATE CONSTITUTIONAL LIMIT ON PROPERTY TAXES FOR SCHOOLS, GOVERNMENT OPERATIONS

QUESTION—Shall constitution set limits on property taxes, and dedicate them to fund public schools and non-school government operations?

SUMMARY—Amends constitution. Limits 1991-1992 property taxes for public schools to \$15, and property taxes for non-school government operations to \$10 per \$1000 of market value. Schools limit gradually decreases to \$5 per \$1000 in 1995-1996 and after. Government operations limit remains same. Limits do not apply to government assessments, service charges, taxes to pay certain government bonds. Assessments, service charges shall not exceed cost of making improvements, providing services. General Fund to replace, until 1996, school funds lost due to school limits.

ESTIMATE OF FINANCIAL EFFECT—

YES

NO

AN ACT

Be It Enacted by the People of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new section to be added to and made a part of Article XI and to read:

SECTION 11b. (1) During and after the fiscal year 1991-92, taxes imposed upon any property shall be separated into two categories: One which dedicates revenues raised specifically to fund the public school system and one which dedicates revenues raised to fund government operations other than the public school system. The taxes in each category shall be limited as set forth in the table which follows and these limits shall apply whether the taxes imposed on property are calculated on the basis of the value of that property or on some other basis:

MAXIMUM ALLOWABLE TAXES

Fiscal Year	For Each \$1000.00 or Property's Real Market Value	
	School System	Other than Schools
1991-1992	\$15.00	\$10.00
1992-1993	\$12.50	\$10.00
1993-1994	\$10.00	\$10.00
1994-1995	\$ 7.50	\$10.00
1995-1996	\$ 5.00	\$10.00

and thereafter
Property tax revenues are deemed to be dedicated to funding the public school system if the revenues are to be used exclusively for educational services, including support services, provided by some unit of government, at any level from pre-kindergarten through post-graduate training.

(2) The following definitions shall apply to this section:

(a) "Real market value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

(b) A "tax" is any charge imposed by a governmental unit upon property or upon a property owner as a direct consequence of ownership of that property except incurred charges and assessments for local improvements.

(c) "Incurred charges" include and are specifically limited to those charges by government which can be controlled or avoided by the property owner.

(i) because the charges are based on the quantity of the goods or services used and the owner has direct control over the quantity; or

(ii) because the goods or services are provided only on the specific request of the property owner; or

(iii) because the goods or services are provided by the governmental unit only after the individual property owner has failed to meet routine obligations of ownership and such action is deemed necessary to enforce regulations pertaining to health or safety.

Incurred charges shall not exceed the actual costs of providing the goods or services.

(d) A "local improvement" is a capital construction project undertaken by a governmental unit

(i) which provides a special benefit only to specific properties or rectifies a problem caused by specific properties, and

(ii) the costs of which are assessed against those properties in a single assessment upon the completion of the project, and

(iii) for which the payment of the assessment plus appropriate interest may be spread over a period of at least ten years.

The total of all assessments for a local improvement shall not exceed the actual costs incurred by the governmental unit in designing, constructing and financing the project.

(3) The limitations of subsection (1) of this section apply to all taxes imposed on property or property ownership except

(a) Taxes imposed to pay the principal and interest on bonded indebtedness authorized by a specific provision of this Constitution.

(b) Taxes imposed to pay the principal and interest on bonded indebtedness incurred or to be incurred for capital construction or improvements, provided the bonds are offered as general obligations of the issuing governmental unit and provided further that either the bonds were issued not later than November 6, 1990, or the question of the issuance of the specific bonds has been approved by the electors of the issuing governmental unit.

(4) In the event that taxes authorized by any provision of this Constitution to be imposed upon any property should exceed the limitation imposed on either category of taxing units defined in subsection (1) of this section, then, notwithstanding any other provision of this Constitution, the taxes imposed upon such property by the taxing units in that category shall be reduced evenly by the percentage necessary to meet the limitation for that category. The percentages used to reduce the taxes imposed shall be calculated separately for each category and may vary from property to property within the same taxing unit. The limitation imposed by this section shall not affect the tax base of a taxing unit.

(5) The Legislative Assembly shall replace from the State's general fund any revenue lost by the public school system because of the limitations of this section. The Legislative Assembly is authorized, however, to adopt laws which would limit the total of such replacement revenue plus the taxes imposed within the limitations of this section in any year to the corresponding total for the previous year plus 6 percent. This subsection applies only during fiscal years 1991-92 through 1995-96, inclusive.

PARAGRAPH 2. The limits in Paragraph 1, above, are in addition to any limits imposed on individual taxing units by this Constitution.

PARAGRAPH 3. Nothing in this measure is intended to require or to prohibit the amendment of any current statute which partially or totally exempts certain classes of property or which prescribes special rules for assessing certain classes of property, unless such amendment is required or prohibited by the implementation of the limitations imposed by Paragraph 1, above.

PARAGRAPH 4. If any provision of this measure is in irreconcilable conflict with a provision of any other measure amending the Constitution of the State of Oregon submitted to the vote of the people of the State of Oregon and voted on at the same election as this measure, then the provision which is contained in the measure receiving a majority vote and the highest number of affirmative votes shall prevail and become operative.

PARAGRAPH 5. If any portion, clause or phrase of this measure is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, the remaining portions, clauses and phrases shall not be affected but shall remain in full force and effect.

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EXPLANATION

Ballot Measure 5 amends the state constitution to limit the total taxes and government charges on a property, based on the property's real market value.

The limitation is phased in over 5 years as shown in the table below. At the end of the 5 year phase-in, the measure limits total school taxes and charges to \$5.00 per \$1,000 of each property's real market value, and total nonschool taxes and charges to \$10.00 per \$1,000.

During the phase-in, the limits are:

FISCAL YEAR	TAX LIMIT PHASE-IN for each \$1,000 of property's value		
	SCHOOL TAXES	NONSCHOOL TAXES	TOTAL
1991-92	\$15.00	\$10.00	\$25.00
1992-93	\$12.50	\$10.00	\$22.50
1993-94	\$10.00	\$10.00	\$20.00
1994-95	\$ 7.50	\$10.00	\$17.50
1995-96 & thereafter.	\$ 5.00	\$10.00	\$15.00

Under these limits "schools" are defined to include all levels of public education from pre-kindergarten through college and graduate school.

The school limit and the nonschool limit are figured separately as shown in the table above. If taxes and/or charges imposed on a property exceed either the school limit or the nonschool limit, Measure 5 reduces each tax/charge proportionately. The reductions may vary from property to property so that the limit is not exceeded for any individual property.

The limits in this measure DO NOT APPLY to:

- (1) "incurred charges" for goods or services received at the owner's option;
- (2) assessments for capital construction that provides a special benefit to the property and that can be paid off over at least ten years;
- (3) taxes to repay bonded debt authorized by the state constitution;
- (4) taxes to repay existing bonded debt for capital construction, and
- (5) taxes to repay new bonded debt for capital construction if approved by voters.

However, the limits do apply to all other state and local taxes and charges on property.

During the five-year phase-in, Measure 5:

- A. Requires the state general fund to replace any revenue lost by public schools due to these limits. However, the measure allows the state to limit its replacement so that total revenue from school property taxes and state replacement dollars does not grow more than 6 percent per year.
- B. Does not require the state general fund to replace the revenue lost by other governments.

The measure does not increase any existing tax or create any new taxes.

The measure does not affect existing property tax exemptions or special treatments of certain classes of property, such as the special assessed values given farms and forests.

Committee Members:

Senator Jane Cease
Pauline Anderson
Don Mc Intire
Thomas P. Dennehy
Stanley Baumhofer

Appointed by:

Secretary of State
Secretary of State
Chief Petitioners
Chief Petitioners
Members of the Committee

(This Committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

ARGUMENT IN FAVOR

In 1966 we organized the Oregon Homeowner's Association, Inc., to question city, county, and state taxation budgets. We support a YES VOTE FOR MEASURE 5, because high assessed valuations are NOT RELATIVE TO A HOMEOWNER'S ABILITY TO PAY REGRESSIVE PROPERTY TAXES.

The cause of high property taxes are EXCESSIVE SPENDING, and EXEMPTIONS; for example the city of Portland granted R. J. Reynolds Tobacco/Nabisco a \$5 million dollar exemption. Your state legislator is responsible for granting property tax exemptions. Currently in Oregon over 65% of the land is "tax exempt". The legislature does not "MAKE UP" the lost revenue for property tax exemptions. This causes a shift of higher property taxes to homeowners in order to subsidize large CORPORATIONS, who are making millions at your expense. These property tax exemptions now approximate \$30 BILLION DOLLARS, excluding Federal and State lands.

VOTE YES ON MEASURE 5 and force these CORPORATE RAIDERS to pay their fair share.

VOTE YES ON MEASURE 5 because Tri-Met, a public transportation agency wants to use property taxes to finance shopping centers, hotels and LIGHT RAIL.

Most people against Measure 5 are in banking, utilities, and education. They have not worked to lower your property taxes except to advocate a 5 to 7% sales tax. Each month a \$65,000.00 home pays \$216.66 in property taxes based on \$40.00 per \$1,000.00 valuation. MEASURE 5 REDUCES THIS TO \$81.25 in MONTHLY PROPERTY TAXES. Vote Yes, save YOUR HOME.

VOTE YES ON MEASURE 5 and help your city, county, state, and other taxing districts eliminate excessive ADMINISTRATIVE ASSISTANTS; example Portland has 48.

VOTE YES ON MEASURE 5 and have your state legislator work to finance public education from the GENERAL FUND. The Oregon Homeowner's Association, for 34 years, has advocated a statewide educational transaction tax to finance public education to keep your home and business property taxes at 1½%.

VOTE YES ON MEASURE 5 so that all of OREGON'S SCHOOL CHILDREN CAN HAVE EQUAL ACCESS TO SCHOOL FUNDING TO BETTER PREPARE THEM FOR THE WORLD ECONOMY.

RENTERS, VOTE YES ON MEASURE 5 to LOWER RENTS AND STOP INFLATION.

This information furnished by:

Clyde V. Brummell, President
Oregon Homeowner's Association, Inc.

(This space purchased for \$300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

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ARGUMENT IN FAVOR

A "yes" vote on Measure 5 is a vote for a better economy in Oregon. Its passage will mean jobs for Oregonians. Oregon has more small businesses per capita than any state in the nation. Almost three-quarters of all the businesses in the state have ten employees or less. High property taxes cause devastating hardships on small business owners as well as home owners. High taxes take away the incentive to start new businesses.

As a result of the current timber crisis, we will need to create and encourage the start-up and continued success of small businesses across Oregon. A reduction in property taxes is a good start.

Passage of Measure 5 will improve the economy in other ways. Some of the money that is saved by property owners will be funnelled into the marketplace. This will create a higher demand for products and services which will equate to more jobs.

Some of the money will be placed in savings, which can be loaned to start new small businesses, or purchase homes. Again, more jobs. That means the General Fund will grow, thereby providing more money for funding schools.

Big business opposes Measure 5. They fear a cut in property taxes for homeowners and small business owners will mean an increase in taxes for them. Many of these big businesses have out-of-state owners. A vote for Measure 5 will send a message that they are expected to pay their share.

After twenty years, the legislature has shown it is either incapable, or unwilling, to solve the property tax problems. It is time for Oregon voters to be heard. A "yes" vote on Measure 5 will force the legislators to get serious about finding long term solutions which are fair to all Oregonians.

This information furnished by:
Frank A. Eisenzimmer, President
Northwest Alliance for Market Equality

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Measure 5 Provides Stable Funding for the Public School System

After a recent series of special levy defeats, State Senator Jane Cease, an outspoken opponent of Measure 5, lamented, "We've got to get people off this awful system." (*The Oregonian*, August 16, 1990) On that point, we can agree with Senator Cease. And that is exactly what Measure 5 does. It gradually lowers and limits property tax rates and it shifts funding for school operations away from the property tax and onto the State's General Fund.

What makes the current system so "awful"? First, property taxes (the cruelest taxes of all) continue to grow at a rate far out-stripping the owner's ability to pay. Second, schools depend on property taxes for nearly two-thirds of their operating funds. When voters reject levies, schools must make drastic cuts, sometimes affecting the quality of education, and nearly always causing tensions and demoralization among students, parents and staff. Third, this dependence upon property taxes creates an unfair (and perhaps, unconstitutional) inequality between affluent school districts and those districts with more modest assets or declining economic trends.

The entrenched tax-spenders complain that Measure 5 makes no provision for "replacement revenues", meaning a sales tax or increased income taxes. This has been the legislature's standard approach: "Give us a new tax now and we promise a little relief later." This approach has failed over and over again because of a lack of confidence that the legislature will ever be able to withstand the sweet song of the tax-and-spend lobbyists when the time comes to cut taxes.

The sponsors of Measure 5 have confidence in the wisdom (and the generosity) of the people. Our analysis shows that normal growth in the State's economy will result in sufficient increased revenue during the phase-in to fund Measure 5 without any new or increased taxes. If these projections prove to be wrong, we will have over two years to discuss what to do next. However, if we are afraid to move until we have covered every imagined contingency, we will never get off dead center.

This information furnished by:
Thomas P. Dennehy
Protect Oregon Property Society (POPS)

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

They're at it again! As usual, the "Devastation Chorus" has formed to shout about the disaster and damnation which will occur, if we vote to limit property taxes.

For the sixth consecutive time the Oregon Legislative Assembly has failed to deal with escalating property taxes and unequal school finance. Many of them have joined in with the predictable cast of other politicians, bureaucrats, well connected corporate types, and especially the public employee unions to fight against control of property taxes.

The song is always the same, "Please, Please, just Trust the Legislature"! After all, the job should be left to our "responsible" legislators . . . "Trust us. Give the system one more chance". Well, a small majority of the electorate did listen, and trusted in 1978, 1980, 1982, 1984 and 1986. What has been the consequences of that trust? Higher property taxes and a school funding system which is more fouled up than ever!

Now, we have Ballot Measure 5, a measure which is different than previous property tax limits. It is more prudent, more practical because it brings in the limits gradually; specifically protects the school system; allows for adequate funding of essential services; allows for bonded debt for new construction; and many features which make this constitutional amendment a good law.

Perhaps now, those of you who, in good faith, listened, "trusted" and voted no, will not be so trusting, this time. We hope there will be a wider realization that those who always tell us to vote no . . . are those whose wealth and power increase as taxes rise.

If you are looking for someone to trust, this time . . . trust yourself. If, in the five previous elections, you trusted them and voted no . . . shame on them.

If you trust them this time . . . shame on you

Have the courage to trust yourself.

YES on 5
For a Fairer Oregon

This information furnished by:

Don McIntire
Protect Oregon Property Society (POPS)

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Vote YES on Measure 5.

Because—it will reduce Oregon's high property taxes. Taxing property is the most unfair method of taxation. It disregards the individuals ability to pay. It does not take into account the situations of those on fixed incomes or those who became incapacitated through illness or injury, as well as those who become unemployed.

Because—it is the first logical step towards fairness in education. Our children and teachers are being held hostage due to the over-dependence on property taxes to finance education. Property owners are voting down school levies because they cannot afford to carry more of the burden. Passage of Measure 5 will force the legislators to finance education from the General Fund.

Because—passage of Measure 5 can result in lower utility bills. The power companies include the cost of property taxes in their rates, therefore any savings in those rates must, by law, be passed onto the rate-payers.

Because—unlike previous property tax reduction proposals, Measure 5 assures adequate funding for emergency services such as police and fire.

Ignore the detractors of Measure 5, those who have vested interests, such as the public employee unions and some politicians. They will always want more of our money no matter how much we give them. Who do you trust? Those who spend your tax money, or those who are trying to see that it is spent prudently?

Measure 5 is a responsible answer to two of our States most serious problems—high property taxes and stable school funding.

Vote YES on Measure 5.

This information furnished by:

United Citizens, Inc.
Frances Hyson, Treasurer

(This space purchased for \$300 in accordance with ORS 251.255.)

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Measure No. 5 STATE OF OREGON

ARGUMENT IN FAVOR

PROBLEM: Unfair and Escalating Property Taxes

Property taxes have outstripped many homeowners ability to pay. Taxes have increased more than our pay and retirement checks.

In the last twenty years, property taxes grew at twice the rate of inflation.

The state has failed year after year to bear its fair share of the cost of public education. It has not played a constructive role in improving the quality of education and making it cost-effective.

Pro-spending forces, especially public employee organizations, are heavily organized while taxpayers are not. The cycle of spend more, tax more must be broken.

SOLUTION: Vote Yes on Measure 5

Measure 5 will shift a substantial portion of school funding to the state, giving relief to property taxpayers.

Measure 5 will put pressure on the state to make the tough decisions needed to help schools become more cost efficient, to reallocate state funds, to quit overfunding state pension reserves, and to seek cost savings through efficiency in and privatization of state functions.

Measure 5 allows sufficient transition time for taxpayers and legislators to adjust to the shift to state funding. The legislature will have three sessions to take the necessary steps.

OCEG is committed to WATCHDOG public budgeting, spending and taxing. We will help the legislature identify and implement cost-effective approaches and options.

This information furnished by:

Oregonians for Cost-Effective Government
Patricia Fairchild, Executive Director

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ARGUMENT IN FAVOR

Normal Growth Will Fund Measure 5

Special interest voices have been using terms like "irresponsible", "a turkey", and even "Appalachia of the West" to describe Measure 5 or its effects.

Despite their best efforts to paint a dark picture, the numbers just aren't on their side. Given the five-year phase-in of the limits in Measure 5, the normal economic growth of the State will be sufficient to absorb the impacts of Measure 5 and still allow modest growth in existing State programs.

After passage of Measure 5, the public school system will be better off than now because almost all operating expenses will be paid from the State's General Fund. No more cliff-hanger levy elections, no more shortened school years. Those who support schools for the children's sake and who understand how Measure 5 works will become eager supporters of the Measure.

Most other units of government which levy property taxes will not be affected by Measure 5 because their combined rate will be less than the \$10.00 per \$1,000 limit. Even those which may have to rely on less property tax income have, in most cases, many sources of revenue, so there should be enough give-and-take in their budgets that no program will be devastated.

A few changes in State statutes will address the special problems of those taxing units which rely almost exclusively on the property tax (for example, rural fire protection districts in urban areas).

The main objection to Measure 5 is the claim that the State cannot pick-up the operating costs of the public school system without some new tax. Yet the State's own economists estimate that in the next biennium, the State will have about \$700 million more to spend than in the current biennium. Imagine what the growth will be by 1995/97 when Measure 5 is fully implemented. Measure 5 requires that most of this anticipated growth be used to fund the schools and that property taxes be reduced to reflect this shift in funding.

Vote YES on Measure 5.

This information furnished by:

Tom Dennehy
Protect Oregon Property Society (POPS)

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ARGUMENT IN FAVOR

It's Time for the Legislature to Face the Music

The Oregon Constitution made the Legislature responsible for public schools. The Legislature, in turn, delegated that responsibility to local districts and taxpayers. But "abdicated" might be a better word than "delegated". State support for education in Oregon is extremely low and has been getting lower. During the eighties, the Legislature cut by ONE FOURTH the portion they paid of school costs!

Do They Have the Money?

Can the Legislature pay more for schools? *The Oregonian* (8/9/90) reported that in the last fiscal year, 1989, state tax collections rose 22.5% over the previous year. That was the highest increase in state revenues of any state! This windfall revenue increase could have been used to provide relief for property tax payers, but the Legislature had too many other pet projects to spend the money on. (Like \$15,000 parking stalls for the legislators).

We Don't Need a New Tax

Meanwhile, tax experts are agreed that Oregonians are living in a "tax hell". The combined weight of income and property taxes is far out of proportion to Oregonians' ability to pay.

This is why we need to vote for this proposal. It does not propose a new tax; we don't need one. We need relief from the taxes that we already have. The Legislature has the means to pick up the difference.

The Establishment May Not Like It

The "Establishment" really is the teachers' union and its local chapters. They will try to tell you that all sorts of terrible things will happen — that "local control" of the public schools will be lost, for example. In truth, the "local control" they are worried about is their own; they load local school boards with their own candidates and exclude the public from the negotiations about salaries and benefits. Finally, their own "citizens' committees" get the levies passed by telling people "it's for the kids". So, educating one Oregon student now costs more than it does in any Western state except Alaska.

Funding for Other Services Guaranteed

Measure 5 guarantees adequate funding for other services.

Vote for Fiscal Sanity — Vote for Measure 5

This information furnished by:

the Committee for Good Schools and
Affordable Taxes
Frank Drahos, Chairman
and
the Save Our Children Coalition
John Shank, Chairman

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

The Communist Party opposes ballot measure 5.

No one wants to pay taxes, but until we have an economic system wherein the profits from industry are public funds and can be used entirely for social services, we are stuck with taxes.

Is the present system of taxation fair? NO!

Does Ballot Measure 5 offer a FAIR alternative? NO!

It treats industrial and commercial profit-making property and private non profit-making property (your home) the same. The break we so sorely need on home property taxes, becomes a windfall gift for commercial property owners under Measure 5. This "gift" would even extend to out-of-state stockholders of Oregon industry through increased profits from less taxes.

A much more sensible approach would be the "home exemption" concept, wherein a major portion of home property taxes are exempted, made up from commercial property taxes and upper income taxes. We support such a concept.

In the long run, we must stop the outrageous hemorrhage of federal taxes going to the Pentagon. As a state, we must really be much richer than we look. We give two billion tax dollars more to the Pentagon every year than is returned through military spending in our state. Our State General Revenue Budget, also about two billion dollars, is all spent within our state. Property taxes are all spent within our state. Money spent here helps our economy. Pentagon money is a dead loss to our state economy.

We must demand a return to "federal revenue sharing", a pre-Reagan policy. Demand the "peace dividend". Stop funding missiles, Trident submarines, Star Wars, Batman Bombers, et al. **Replace all Senators and Congressmen who support these wastes.** The Cold War is over. Use the money for unemployment benefits from layoff to rehire, for re-training, for education and national health care, child care and housing, to restore and preserve our environment. Don't bail out banks and S&Ls; **nationalize** them. Demand **rollback** of petroleum prices, or **nationalize** the oil companies. **Stop export** of all logs, to keep jobs at home. If some of these measures were taken, plus a home property tax exemption, we could sustain our educational system without being under the burden we are.

If you share our views on these matters, we would like to hear from you.

CP,USA, Oregon District, POB 372, Albany, OR 97321, POB 3201, Portland, OR 97208

This information furnished by:

Communist Party, USA, Oregon District
Ed Hemmington, State Chair

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

The Oregon Library Association Urges You to Vote NO on Ballot Measure 5

If Measure 5 passes, public libraries will close.

Measure 5 would place severe limits on the amount of property taxes cities and counties are able to levy. Many cities and counties which operate public libraries will be forced to slash budgets as a result. In order to preserve emergency and mandated services (police, fire, streets, etc.) there is little doubt that libraries will be among the first on the chopping block. Preliminary figures indicate that up to ten cities and counties across Oregon will be forced to close their libraries altogether, and that as many as 28 other libraries throughout the state will see their operating hours slashed by as much as half.

If Measure 5 passes, public libraries will stop buying books.

Even if a local library is not forced to close or to severely reduce its hours, budget cuts resulting from Measure 5 will mean most libraries across the state will have little funding to buy new books. "Extras" like programs for children, bookmobile services to outlying communities, and outreach services to senior centers will be eliminated from library budgets.

1.2 million Oregonians who are registered public library cardholders rely on their local libraries for books, information, and recreation.

Is Oregon going to have the reputation as the state that voted to close its libraries?

Vote NO on Measure 5

This information furnished by:
Oregon Library Association
Michael K. Gaston, President

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Oregon Fair Share strongly opposes the passage of Ballot Measure 5. It is a dangerous, poorly conceived, and irresponsible measure that would do irreparable damage to services essential to all Oregonians.

Proponents of this plan promise that its passage would provide property tax relief by lowering property taxes.

WHO GETS THIS RELIEF?

Business, industrial, and rental property owners	58%	Homeowners	39%
Owners of second homes	3%	Renters	0%

WHO PAYS FOR THIS RELIEF?

If this measure passes, the legislature and city and county governments would need to find ways to make up the \$1.5 billion revenue shortfall in order to preserve needed services: education, police and fire protection, human services, parks, etc. Fair Share believes that the politicians' initial response if Measure 5 passes will be to push again for the enactment of a **SALES TAX**.

All Oregonians would pay dearly to provide property tax relief for the utilities, big corporations, banks, insurance companies, real estate speculators, and other owners of much Oregon commercial property. Many of these major property owners live out-of-state or in other countries. Absentee owners would get millions of dollars in tax relief and Oregonians would have to pay for this relief by paying new taxes.

THERE IS AN ALTERNATIVE!

Oregon Fair Share's plan to provide needed property tax relief is to provide a Homestead Tax Exemption to all Oregon's owner-occupied homeowners as well as equivalent relief to renters. This Exemption would be funded by making our current individual and corporate income tax system more progressive, based on an ability to pay. Currently, an Oregonian making \$10,000 pays at the same tax rate as an Oregonian making \$10,000,000. We can fund property tax relief and make our tax system fairer. Giving 58% of property tax relief to commercial property owners and landlords while threatening funding to education, police, fire, and other services is a tragic mistake.

This information furnished by:
Oregon Fair Share/Fair Share NPAC
Betty Rademaker, President

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Measure No. 5 STATE OF OREGON

ARGUMENT IN OPPOSITION

OREGON'S FIRE SERVICES URGE A NO VOTE ON MEASURE 5

Passage of Ballot Measure 5 would mean that all non-school government operations would be limited to \$10 per \$1000 of market value — forever. Out of this \$10 has to come revenues for not only all city and county services, but also services provided by special districts such as libraries, ports, sewer and water districts, cemeteries, and hospitals.

A very special part of these non-school government operations is fire and safety. Our fire departments not only fight fires when they start, but also work to prevent them through education programs and monitoring of building codes. In many areas of Oregon it is the fire department or fire district that provides rescue and ambulance service.

Cutting property tax funds for fire protection may mean increased costs elsewhere. When the quality of fire protection decreases, fire insurance premiums increase.

Ballot Measure 5 does not say how the \$10 per \$1000 for non-school operations is to be apportioned. With state law already requiring a great number of services to be provided by cities and counties, our fire departments and fire districts could very easily end up last on the list for funding.

DON'T CUT OUR CRUCIAL FIRE AND SAFETY SERVICES — VOTE NO ON MEASURE 5.

Dick Hopper, President,
Oregon Fire Chiefs Association
Robert J. Hill, President,
Oregon Fire District Directors Association.

*This information furnished by:
Burton Weast, Lobbyist*

(This space purchased for \$300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

THE OREGON STATE FIRE FIGHTERS COUNCIL URGES NO VOTE ON 5

Through the years emergency service levels have been determined by the citizens that live in the varied communities of Oregon. Oregonians have been able to consider all the characteristics that make their community unique, and then make decisions as to the levels of fire, police and ambulance services that fit their needs.

IF MEASURE 5 PASSES FIRE AND POLICE DEPARTMENTS ACROSS THE STATE WILL BE DECIDING WHICH EMERGENCY SERVICES TO CUT

Emergency service levels have been established based on real needs of the communities that are being served. Such things as the density of population, amount of industry, square miles, response times of emergency vehicles and the volume of emergency responses within a district are considered when determining the emergency service levels. Measure 5 will set a limit of \$10.00 per thousand of property's real market value for all city and county services with only a small portion going to the emergency services in each community.

IF MEASURE 5 PASSES EMERGENCY SERVICE LEVELS WILL BE BASED ON AN ARBITRARY DOLLAR AMOUNT THAT DOES NOT CONSIDER THE NEEDS OF THE VARIOUS COMMUNITIES WITHIN OREGON

Reductions in the emergency services provided by cities and counties will cause public safety to be placed in jeopardy. If the budgets that fund the various fire, police and ambulance services are cut, the lives of both the citizens and the emergency service workers will be more vulnerable when emergency situations arise.

IF MEASURE 5 PASSES PUBLIC SAFETY WILL BE COMPROMISED THE OREGON STATE FIRE FIGHTERS COUNCIL URGES YOU TO: VOTE NO ON 5

*This information furnished by:
Oregon State Fire Fighters Council
Ray Barnwell, President*

(This space purchased for \$300 in accordance with ORS 251.255.)

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Measure No. 5 STATE OF OREGON

ARGUMENT IN OPPOSITION

MEASURE 5 FIXES NOTHING. IT MAKES MATTERS WORSE, AND RISKS HIGHER TAXES

Measure 5 sounds like an easy way to lower property taxes. But like all the previous tax limit schemes, it relies on the same old meat ax approach Oregon voters have rejected five times before. We urge you to reject it again.

Measure 5's authors argue that this year's plan forces the legislature to make up revenues lost to local schools because of the cuts. But their measure offers no new funding.

IF MEASURE 5 PASSES, YOU COULD BE PAYING HIGHER INCOME TAXES.

The state currently spends 27 percent of its General Fund revenues (mostly from income taxes) for local schools. In the fifth year under Measure 5 that would jump to 73 percent. That would mean staggering cuts in state funding of senior health services, higher education, prisons and other state programs. Or, to maintain those current programs, it would mean higher state income taxes.

LOCAL GOVERNMENT SERVICES, LIKE POLICE AND FIRE, COULD FACE CUTS.

Unlike schools, other local governments get absolutely no state help under Measure 5 to cover losses from the limit. The impact on local services would vary widely from community to community. But it's clear that in many cities vital police, fire, ambulance and road repair services face substantial cuts.

Cuts also face Oregon's community colleges. Measure 5 offers no alternate revenue source for community colleges at a time when enrollments are expanding, and more Oregonians than ever are seeking job training and improvement programs through community colleges.

MEASURE 5 IS NO SOLUTION.

Oregon must and will find the solution to high property taxes and unbalanced school spending. But Measure 5 is not the answer.

VOTE NO ON 5.

This information furnished by:

The Oregon Committee Co-chairs:
Neil Goldschmidt, Governor of Oregon
Barbara Roberts, Secretary of State
Dave Frohnmayr, Attorney General
Norma Paulus, Superintendent of Public Instruction-Elect.
Mark Nelson

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ARGUMENT IN OPPOSITION

The League of Women Voters of Oregon Urges a NO Vote on Ballot Measure 5

No one should be fooled by Measure 5. It is more destructive to local governments and schools, and especially to state government, than any property tax limitation measure yet!

• **LOCAL GOVERNMENTS** - Citizens all over Oregon will see a reduction or even elimination of many of the basic services provided by cities, counties, and special districts: police and fire protection; streets, and sewer construction; parks and libraries. **Local governments will have few options for alternative revenue, and citizens will have NO opportunity to override the limitation.**

• **PUBLIC SCHOOLS AND COMMUNITY COLLEGES** - The Legislature might **reduce** or even **eliminate** the money it currently provides for schools and community colleges in order to replace lost school property tax revenue if no other revenue source is found. **School operating revenue would be reduced.** After 1995-96, the replacement requirement of Measure 5 will end. With a \$5/\$1,000 tax rate limitation for schools and no replacement revenue, most schools would not function. What happens to Oregon's children then? **Replacing lost school property taxes with state funds won't protect schools.**

• **STATE GOVERNMENT** - In the first year, **\$260 million of the State General Fund** will be used to replace lost school property taxes. This means that the Legislature will be forced to reduce funding for housing, children's services, prisons, higher education, mental health, and other state programs. **What will happen to these programs in 1995 when replacement revenue alone will require \$3.2 BILLION of the state budget?**

Most Oregonians believe property taxes should be reduced. Most Oregonians want to change the way we fund schools.

MEASURE 5 IS NOT THE ANSWER

Measure 5 will create far more serious problems than it corrects. While it drastically cuts property taxes, especially for schools, it does not replace that lost revenue but substitutes state revenue for local property taxes. That is irresponsible!

VOTE NO ON MEASURE 5

Let's work together for a RESPONSIBLE property tax reduction and school reform measure.

This information furnished by:

League of Women Voters of Oregon
Colleen Bennett, President

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Measure No. 5 STATE OF OREGON

ARGUMENT IN OPPOSITION

MEASURE 5 HURTS SENIORS MORE THAN IT HELPS.

No group has more reason to be concerned about high property taxes than Oregon's senior citizens. That's what makes Measure 5 seem tempting. But beware of what's behind the relief promised in Measure 5.

PROGRAM CUTS WOULD HIT SENIORS HARD.

To offset school property tax cuts, Measure 5 would force lawmakers to substitute funds from state income taxes. That will cause a dramatic shift in state spending priorities — a shift that gets worse every year for five years. The result will be steep cuts in vital state programs such as senior health services.

When fully implemented in 1996, Measure 5 would require \$3.2 billion in state income tax money to cover reduced school property taxes and state support of schools. That would be 73 percent of the entire state General Fund today.

Avoiding wholesale elimination of most state programs, government officials will most likely to raise a new tax to pay for the cost of limiting school property taxes.

LOCAL SERVICE CUTS HURT SENIORS, TOO.

Local services that seniors rely on face cuts, too. While Measure 5 forces the state to pick up property tax losses for schools, cuts to cities, counties and other local districts will not be made up from state funds. In some communities, that will sharply cut vital services such as police, fire and paramedics.

Measure 5 is not a good deal for Oregon's seniors, or anyone else.

United Seniors of Oregon urges you to vote NO on 5.

This information furnished by:
United Seniors of Oregon
Bob Van Houte, President

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ARGUMENT IN OPPOSITION

DON'T BE FOOLED! MEASURE 5 IS BAD FOR OREGON SCHOOLS MEASURE 5 IS BAD FOR OREGON TAXPAYERS MEASURE 5 IS BAD FOR OREGON

As the leaders of statewide organizations representing Oregon's public school teachers and volunteer school boards, we want you to know the truth about Measure 5.

• MEASURE 5 IS NOT SCHOOL FINANCE REFORM

Measure 5 promises to reduce your property taxes with no effect on public school programs and services.

WRONG! Measure 5 cuts school funding by **\$260 MILLION** in the first year and by **\$4.3 BILLION** in the first five years - and then says the legislature has to make up the loss.

But where is the legislature going to get that kind of money? They'll have to cut our colleges and universities, health care for our senior citizens, our prisons and corrections programs, state police, state parks and so on. And even state school support!

THAT'S NOT SCHOOL FINANCE REFORM, THAT'S WRONG!

• MEASURE 5 IS NOT TAX RELIEF

Measure 5 promises to reduce your taxes.

WRONG! Measure 5 might provide a temporary cut in your property taxes, but how is the legislature going to pay its **\$4.3 BILLION** bill? **By increasing our income taxes!**

THAT'S NOT TAX RELIEF, THAT'S WRONG!

• MEASURE 5 IS NOT THE ANSWER TO CHANGING THE WAY WE PAY FOR OUR PUBLIC SCHOOLS

Measure 5 promises a permanent solution to the problem of school finance and property tax relief.

WRONG! Measure 5 forces the legislature and Oregon into **chaos**. And that means **bad decisions**. Oregon doesn't need that now. We don't need **irresponsible** solutions and **irrational** decisions that are not well thought out.

THAT'S NOT THE OREGON WAY, THAT'S WRONG!

Please join us in voting **NO** on **MEASURE 5**.

This information furnished by:
Karen Famous, President,
Oregon Education Association
Stephen Kafoury, President,
Oregon School Boards Association

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Measure No. 5 STATE OF OREGON

ARGUMENT IN OPPOSITION

COMMUNITY COLLEGE PRESIDENTS URGE NO ON BALLOT MEASURE 5

LET'S BE HONEST!

BALLOT MEASURE 5 IS NO OASIS for the overburdened taxpayer. IT'S AN ILLUSION that merely shifts the revenue burden from one source to the other. Ballot Measure 5 **does not provide the needed balance among taxing alternatives** to fund schools and community colleges. Further, as the proponents have said, when the State's General Fund can no longer meet the enormous demand, the legislature will **HAVE TO "CREATE" NEW FUNDS TO PAY FOR THE PROGRAM. BUT, THE PROPONENTS OFFER NO RESPONSIBLE ALTERNATIVE FUNDING SOURCE.**

THE SCENARIO.

- Measure 5 will force the state to pay out 41 percent of the entire General Fund budget for schools in the first two years.
- By the fifth year, \$3.2 billion or 73 percent of the General Fund will go to schools.

COMMON SENSE.

- Children's services, health care programs, universities, prisons, and other programs that receive state funds, **would suffer severe cutbacks** to accommodate the mandated school revenue replacement provisions, **unless new revenues are created.**

NO SAFETY NET FOR COMMUNITY COLLEGES.

- The revenue replacement requirement is no safety net for community colleges since the legislature has the authority to replace lost property taxes by drawing on the existing community college budget. This means the colleges would likely suffer a **significant net loss** in total operating revenues.
- Community colleges already are engaged in a **crisis of exploding enrollments** prompted by recent university enrollment limitations and, at the same time, face shortages of faculty, classroom space and essential equipment.
- Further, without a reliable and adequate source of revenue, community colleges cannot fully meet the **critical need in this state for a skilled work force, a literate citizenry and opportunities for Oregonians to access postsecondary education.**

VOTE NO ON MEASURE 5

This information furnished by:

Oregon's Community College Presidents
 Ronald L. Daniels, Dr. Robert L. Barber, Dr. William E. Segura, Dr. John S. Keyser, Dr. Doreen Dailey, William E. Bell, Dr. Jerry Moskus, Jon Carnahan, Dr. Paul Kreider, Dr. Patrick O'Connor, Dr. Daniel F. Moriarty, Dr. Harvey O. Bennett, Dr. Stephen J. Kridelbaugh, Jerry Hallberg, Dr. Glenn E. Mayle, Dr. James M. Kraby

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ARGUMENT IN OPPOSITION

Business and industry in Oregon urge your **NO** vote on **Measure 5!** Our reasons are:

- By 1996, **73 percent of the state's General Fund** will be totally allocated to public schools. This will leave less than 30 percent of the General Fund remaining for all the other priorities: higher education, criminal justice, human resources and the environment.
- There is **no requirement** in Ballot Measure 5 that Legislators replace lost revenues to local communities. We can anticipate that your cities may very well **suffer major cuts in local fire and police departments** and other services that most people deem important.
- Oregon competes for business and growth with all other states. A state forced to cut higher education and correctional budgets and simultaneously allows no growth for its public education system will **not be an attractive place to live.**

Oregon has the opportunity to be the jewel on the mainland Pacific Rim, but Measure 5 could **severely detract** from the benefits we enjoy and diminish our economic future.

The quality of our life in Oregon depends upon a progressive attitude. Measure 5 is an idea that could have us moving **backward instead of forward.**

MEASURE 5 IS NO SOLUTION

The Oregon property taxpayer is frustrated. Some may vote for this measure, in spite of its implications over the next five years, due to the burden of current high property tax bills.

Some feel frustration in not always seeing the quality results for this money. While those feelings may be true, **Measure 5 is not the proper solution.**

VOTE NO ON MEASURE 5

Draconian budget cuts in essential state and local programs is the **wrong stuff at the wrong time.**

We urge your thoughtful **NO** vote on **Measure 5.**

This information furnished by:

Associated Oregon Industries

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Measure No. 5 STATE OF OREGON

ARGUMENT IN OPPOSITION

THE HUMAN SERVICES COALITION OF OREGON URGES A NO VOTE ON BALLOT MEASURE 5

Ballot Measure 5 is not a new idea. It's the same old story with a slightly different twist

Repeatedly, in recent years, Oregon voters have been barraged with property tax limitation proposals. And, each time voters have carefully considered and wisely rejected these measures. Why? Because each time, voters have been asked to drastically reduce or eliminate necessary community services. Ballot Measure 5 is the same old story: local property taxes are capped forcing cuts to local services. The new twist: the State General Fund picks up the lion's share of local school funding. By 1995 this plan will consume nearly three quarters of State General Fund resources. The result:

NECESSARY STATE FUNDED SERVICES TO COMMUNITIES WILL BE DRASTICALLY REDUCED OR ELIMINATED IF BALLOT MEASURE 5 PASSES!

- Services allowing elderly Oregonians to live with dignity in their own homes
- Services to physically, sexually and emotionally abused children
- Services assisting timber industry and other displaced workers to stay in the work force and off welfare rolls
- Services combating the ravaging effects of drug and alcohol abuse
- Services training young mothers to enter the work force at living wages
- Services assisting families through temporary and disabling crises

Supporters of Ballot Measure 5 would have you cut these services. They propose no responsible replacement for lost State revenues to continue these services. And, they say NO to the voter's right to replace State funds for local service priorities.

Property tax relief is needed. But not at the expense of vitally important services. And not at the expense of local voter control.

VOTE NO ON BALLOT MEASURE 5

This information furnished by:
Human Services Coalition of Oregon
Sandra J. Millius, Co-Chair

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ARGUMENT IN OPPOSITION

MEASURE 5 WILL HURT — NOT HELP — WORKING PEOPLE IN THE STATE OF OREGON WHY?

Measure 5 will end up **INCREASING TAXES** for most working people, rather than decreasing them.

Measure 5 looks like a tax cut, but it will end up being a **TAX SHIFT — ON TO THE BACKS OF WORKING PEOPLE.**

Measure 5 will cut property tax revenues statewide by over **4 BILLION DOLLARS** over the next 5 years. Sounds great, doesn't it? Unfortunately, Measure 5 will end up being a **WINDFALL FOR BUSINESSES AND LANDLORDS, AT OUR EXPENSE.**

Right now, approximately **58% OF THE PROPERTY TAX REVENUES IN OREGON COME FROM BUSINESSES AND LANDLORDS.** Only 39% of property tax revenues come from owner-occupied residences.

BUSINESSES AND LANDLORDS will receive **ENORMOUS PROPERTY TAX SAVINGS** under Measure 5. To make up for this lost revenue, so that we can pay for **POLICE, FIRE, SCHOOLS, ROADS,** and other public services we need, the State will have to come up with **NEW REVENUE SOURCES** — probably by either **RAISING YOUR INCOME TAXES** or establishing a **SALES TAX.**

UNLIKE PROPERTY TAXES, INCOME TAXES AND SALES TAXES ARE PAID FOR PRIMARILY BY INDIVIDUALS. AND SALES TAXES FALL DISPROPORTIONATELY ON PEOPLE WITH LOW AND MODERATE INCOMES. THAT MEANS WE END UP PAYING FOR THEIR TAX WINDFALL OUT OF OUR POCKETS.

Shifting the tax load from the property tax to the sales or income tax may be **GREAT FOR BUSINESSES AND LANDLORDS,** but it's a **DISASTER FOR ORDINARY WORKING PEOPLE.**

Will business and landlords pass on their huge property tax savings to consumers and renters in the form of lower prices and rents? **DON'T BET YOUR HOUSE ON IT!**

There's one thing you **CAN** bet on. **MEASURE 5 IS A BAD DEAL FOR WORKING PEOPLE.**

VOTE NO ON MEASURE 5.

This information furnished by:
Irv Fletcher, President
Oregon AFL-CIO,
Committee on Political Education

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