Scramble on to forge tax plan

Special to The Post

Gov. Bob Straub outlined more specifics of his tax limitation plan Tuesday, but there was only a whisper of encouragement from the camp of the Oregon Tax Limitation Committee for Ballot Measure 6.

There also was just token applause for the views of Sen. Vic Atiyeh, the governor's opponent in November, when he offered his "cleaned-up version" to Measure 6 a day earlier.

Meanwhile, two legislative subcommittees went to work on drafting an alternative to Measure 6 and the president of Oregon Initiative Foundation waited for a chance to present a package of bills the group believes would save taxpayers $600 million.

Straub last week ordered a special session of the Legislature to deal with the tax relief issue.

The governor, shown to be trailing Atiyeh in the latest political polls, has proposed an alternative plan he says will provide far more tax relief than Measure 6.

A key part of the plan is a "homestead exemption" of $25,000 for owner-occupied homes and equivalent relief for renters.

He also has proposed that state spending increases be limited to the rate of growth in personal income, which has been about 12 percent annually in recent years.

Another provision of the Straub plan would order the Legislature to enact a similar limit on expenditures for local government. However, the proposal does not specify what form the limit should take.

Loren "Bud" Kramer, the governor's executive assistant, said it will be difficult to establish a formula for across-the-board limitation because of the variety of local governments.

Measure 6 proponents who met with Straub on Tuesday maintained their position that any alternative plan should retain the basic provisions of Measure 6, which would limit property taxes to about 1.5 percent of assessed valuation.

Measure 6, which also would impose other restrictions on property taxes, would cover both business and residential property.

The Straub plan gives homeowners and renters tax relief. Commercial property would continue to be taxed as present levels.

The Atiyeh plan would retain Measure 6's 1.5 percent limitation on residential property, but non-residential property would be taxed at existing rates.

Assessments would be fixed at 1977-78 levels under the Atiyeh plan and valuation could increase according to the Consumer Price Index rate of increase.

Measure 6 would limit increases in value to 2 percent annually and rolled back to 1975-76 levels.

Wendell Halseth, chairman of the Oregon Tax Limitation Committee for Measure 6, said business should be included in the tax relief because his group feel this would result in a boost to the economy.

The committee believes businesses would have more money available for capital investments, which would lead to more jobs and thereby boost income tax revenue.

Halseth, a semi-retired Estacada farmer, said he "would be opposed to anything in the way of an alternative to the measure.

"The justice in this thing is to roll back property assessments to the 1975-76 figure," he said. "I just can't believe Atiyeh or Bob Straub could come up with an alternative plan that would be better than Measure 6."

He said the property tax is regressive, with land values, assessments and — consequently— property taxes increasing much faster than the wages of homeowners.

The assessment rollback would help offset this disparity, he said.

Halseth also said he thought the idea of a 25 percent income tax cut missed the mark. "It's the unfair and unjust property tax system we're aiming at," he said.

Sen. Vern Cook, D-Troutdale, suggested the 25 percent income tax reduction last week, saying it would save taxpayers $250 million annually during the next biennium.

The reduction would not apply to corporate taxes.

Cook was appointed chairman of the subcommittee on property tax relief that began work Tuesday. Another subcommittee is devoting itself to expenditure limitations.

The full Legislature will go into special session Sept. 5.

Cook was quoted Tuesday saying that selecting a new tax plan could be a matter of choosing whether "to be shot or be hanged."

He made the statement after observing that the homestead exemption proposed by Straub could have as many problems as Measure 6.

There is a possibility that residents of urban areas may get more relief than people living in rural areas because of differing tax rates and home valuations, he said.

Cook said the plan also fails to take into account property tax assessments resulting from bonded government indebtedness.

Cook's subcommittee will be asked Wednesday night to hear "The Fairness Four" plan offered by the Oregon Initiative Foundation.

Portland tax attorney Donald Burnett, president of the group, claimed the package of four bills would be the far superior to Measure 6.

The tax package would index the Oregon income tax to the cost of living, provide that all government pensions in the state be currently funded, put a cap on total

RAY CHANEY takes a rare breather at the Boring sawmill which his family sold this month to a Portland lumber firm. The Chaneys owned the mill for 31 years.

Boring lumber mill closes

Old age and aching bones convinced the Chaney family to sell the lumber mill they've operated for 31 years in Boring, Ray Chaney said.

The five-member family operation with its 18 employees was turned over this month to a Portland lumber firm.

"My brother (Dick) and I are just here training them to take over," Chaney said. He believes Dutton Pacific Forest Proudcts Co. will operate the mill pretty much the way the Chaneys kept it going all those years.

The mill produces about 35,000 board feet of kiln dried hemlock every day. Most of it goes to housing construction, Chaney said.

"There's fewer and fewer of these family mills around," he said. "In 31 years, I've probably seen 1,000 our size or smaller close down.

"But I've seen a lot of the big ones close, too."

Ray Chaney takes credit for talking his father into building the mill. "He'd worked in lumber mills all his life, and so did my brothers. I've been working in mills since I was 18.

"So I told my dad, 'Let's build us our own sawmill.' "

His father, E. O. Chaney, recently retired at age 86. Brother Ralph retired at 65. Mill operators Ray and Dick and their sister, Margaret, the mill's bookkeeper, will soon follow suit.

"I'm going to start seeing the world," Chaney said.

Vo-Tech course set at MHCC

A new vocational-technical course will be offered by Mt. Hood Community College this fall.

The course, Automotive Cashier and Receptionist, ACX 26, is being offered in response to requests from Portland area automotive dealers and their employees.

The course objective is to prepare qualified students for employment in an automotive dealership as a receptionist, parts and service cashier, records clerk or accounts receivable clerk.

Potential students will be expected to have a basic knowledge of automobile dealerships and their function, but the course topics will include: the development and structure of dealerships, the nature and function of the firms various departments, explanation of and preparation for the several business office positions.

Fall term at the college begins Sept. 25.