

PAY RAISES FOR STATE WORKERS NEXT JULY? MAYBE.....

It depends to a large extent on what happens November 5th. That's when Oregonians will vote on the 1½% property tax limitation measure.

The Civil Service Commission recently proposed a \$40 million salary increase for classified employees in the next biennium. There has been talk that the commission also will propose an additional 5% to 10% (\$10 to \$15 million) to make salaries competitive on July 1, 1969 (the date of implementation) and to provide for mid-biennium pay raises on July 1, 1970. Needed salary increases for academic and unclassified employees and a state contribution to employee medical-hospital premiums also will require large general fund appropriations.

If the 1½% scheme is adopted, local revenue will be slashed by \$150 million or more. Legislators will be under tremendous pressure from counties, cities and school districts to make up this deficit from the state's general fund. If that happens, state employee salary money and a medical-hospital contribution fund will be in serious jeopardy. But that's not all. If the measure passes, it means

Soon you'll have to pay both a sales tax and higher income taxes.

If the 1½% tax limitation passes, essential public services must be cut immediately. When the public sees the chaos caused by firing law enforcement personnel, firemen, teachers, sewerage workers, public health workers, etc. . . . there will be a hue and cry to "put things back where they were." The expedient way then to get tax funds would be both a sales tax and higher income taxes.

Fact

The Federal government will collect \$25 to \$30 million a year in additional income taxes from Oregonians if measure 7 passes. Property taxes are deductible on income tax returns.

Oregon's income tax is already the fifth highest in the nation. To increase it will make it the highest...a sure way to keep industry out.

Individuals pay only 1/3 of all property taxes, but pay 80% of the sales and income taxes. Passage of 7 means higher taxes for home owners and renters, lower taxes for business.

It will be difficult to find good replacements for police, firemen, teachers, district attorney personnel, public health workers once they have been fired and moved to other states. Keep them on the job!

Don't hurt our school kids!

Business and industry will get \$2 out of every \$3 of property tax savings

... the homeowner will get \$1! Proponents of the 1½% tax limitation laugh this off by saying: "We'll tax business property more to make up the \$150 million loss of taxes ... the homeowner won't have to pay any more taxes." The law now provides that all property be assessed at market value (or 100% of true cash value). Thus you can't raise assessments on business property, and the tax rate will be limited to 1½% for everyone! You can't get more taxes out of business and industry to replace the \$150 million loss in property taxes.

Fact

Under a law passed in 1955, property valuations in Oregon have been steadily adjusted until now all property is assessed at market value (or true cash value.)

Oregon has the most efficient, impartial assessing system in the nation. The Reader's Digest in its June, 1968 issue says: "Only the state legislature can pass laws needed to give us...professionally qualified assessors and responsible supervision. Oregon probably provides the best model...hope is growing that other states will follow Oregon's first rate example."

Business and industry pay 2/3 of all property taxes and get 2/3 of the tax savings if measure 7 passes. But, the heads of large industries in the state have told the governor that—while they would benefit by lower property taxes if measure 7 passes—the chaos in every city and county and school would be so disastrous that they urge the 1½% tax limitation scheme be defeated.

Less police and fire protection!

The 1½% property tax limitation deprives counties, cities and districts of \$150 million a year . . . 1/3 of their property tax revenues. Public services must be cut! The law requires that welfare funds cannot be reduced. The big cut must be in law and order, schools, public health and other essential services.

Fact

The League of Women Voters says: "You could have fewer . . .

POLICE for protection, FIREMEN for safety, TEACHERS for your CHILDREN.

"You could have reductions or elimination of . . . EQUIPMENT for schools, PARK and recreational facilities, HEALTH services and LIBRARIES."

Official minutes of the Oregon Legislative Fiscal Committee read: "Some school districts are relying on property taxes for 80 percent of their budget, which would mean a 25 percent loss and the possibility of discharging three out of ten teachers."

Oregon Tax Research, the state-wide, nonpartisan taxpayer association in Oregon since 1935 says that schools, cities and counties: "will find it extremely difficult, if not totally impossible to continue to operate and tender expected services without a miracle of some kind..."

**Don't wreck police and
fire protection!**

Vote NO on No. 7

The 1½% property tax limitation scheme

CONSTITUTIONAL AMENDMENT CHANGING PROPERTY TAX LIMITATION



YES



NO

Purpose: Repeals 6% limitation. Limits property taxes to 1½% market value. Exempts:

- (1) Existing bonded indebtedness.
- (2) Levies approved in November by majority equaling 20% of registered voters.