Property tax vote concerns public employes

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SACRAMENTO -- Property tax relief is among the hottest issues in many states these days, and much attention is focused on a California controversy which has virtually split the state's voters down the middle.

The California State Employees' Association (CSEA) and other public employee organizations are aligned with legislators, local government officials and respected citizens groups in battling Proposition 13, a dangerous measure on the June 6 statewide ballot in California.

The measure, born out of the public disgust over soaring property taxes, was qualified for the ballot by a record 1.2 million signatures of citizens.

Some observers say it will pass; others say the voting public is sophisticated enough to see the havoc it would wreak that they will soundly defeat it.

Whatever the outcome, it has already stirred state legislators out of years of indecision and spurred them to approve an alternative plan, Senate Bill 1. It was swiftly signed into law by Governor Jerry Brown, who has called Prop. 13 "a temporary mirage that in a few months will blow up in everybody's face."

But SB 1 isn't quite law yet. In order for it to take effect, voters must approve a constitutional amendment which the legislature put on the same ballot to allow taxation of residential property at rates lower than on business property.

And if both ballot measures are passed, Prop. 13 takes precedence and nullifies the property tax relief law which the legislature struggled to pass.

CSEA's Board of Directors voted to strongly oppose Prop. 13 because of the adverse impact it would doubtlessly have on state employes' working and personal lives. The CSEA vote also represented labor solidarity with other public employe organizations, particularly at the city and county levels which would be hardest hit by Prop. 13.

PROPOSITION 13

CSEA is on the executive steering committee of the "No on Proposition 13 Committee," a coalition of 50 influential groups pooling their efforts for the all-out battle.

In voting to oppose Prop. 13, CSEA's Board labeled it a "simplistic scheme called tax reform which only replaces one system of inequities with another."

And in a message to CSEA's 115,000 members, President William A. Craib said, "Most of us are property taxpayers, and on the surface it would appear that Prop. 13 would be our savior . . . However, close analysis reveals that it is fraught with dangers."

If Prop. 13 passes, a formula would be put into the state Constitution to limit property taxes to one percent of market value. Currently they average around 2.5 percent.

It would thus slash local government revenue -- which comes almost entirely from property taxes -- by $7 billion to $8 billion. Local governments are already drafting "doomsday" alternative budgets calling for layoffs of thousands of fire and police personnel, road and park maintenance workers and office staff.

School districtis already have sent out preliminary layoff notices to tens of thousands of teachers, as state law requires such notices by March 15 if they are to be laid off the following fall.

A chain reaction could very well prompt massive layoffs of state employees, even though their salaries do not come from property taxes. Here's how:

If local revenue is cut, strong pressure would be put on the state to fill the gap so vital local services aren't eliminated. The legislature could do this by increasing state income, sales or business taxes. Standby legislation is already prepared for this.

But Prop. 13 also has a provision requiring a two-thirds vote of both the Senate and Assembly to increase any state tax -- a tough requirement. Thus, the legislature would likely turn first to another easy source of fill-in funds by cutting non-priority state government programs. The result: hiring and pay freezes, and perhaps layoffs.

SB 1 would cut property taxes only by an average 32 percent instead of the average 55 percent Prop. 13 offers. But it would give every penny of that relief to homeowners and renters, and none to business interests which are in line for the lion's share of tax relief under Prop. 13.

And SB 1 is financed entirely from the current state budget surplus, so no other taxes would not have to be raised and essential local services would be maintained.

City officials and newspaper editorial writers have condemned Prop. 13 in strong language: "Like an immature orange -- dollar-green on the outside and sour on the inside" . . "A meat-ax approach to cutting taxes" . . . "An atomic bomb exploded in the whole tax structure."

CSEA and all others who favor responsible tax relief are doing their best to make sure Prop. 13 is defeated and SB 1 enacted in its place.

OSEA resources offered to members

From time to time questions arise on a variety of subjects when it comes time to write General Council resolutions. OSEA headquarters has a library which has many resources which may be helpful.

Among those include:

- Past General Council resolutions;
- Oregon laws -- ORS 240 (merit system law) and ORS 243 (the collective bargaining law);
- Old legislative bills;
- Attorney general opinions;
- Compensation plans;
- The "Union Labor Report" published by the Bureau of National Affairs, and
- Other union newspapers including the AFL-CIO News, other state employe association newspapers and the Oregon Labor Press.

Any member is welcome to use the headquarters library. Members also are advised to consult your local library, the state library in Salem and college and university libraries for additional materials.