

The taxpayer's revolution

by Mark Blackburn

SAN FRANCISCO (PNS) - Jim Roberts, a barber with a shop here and a \$107,000 home in nearby Marin County, pays \$855 a month to live in his own house - \$685 in mortgage and \$170 in property tax. Not to mention utilities.

"I couldn't make it if there weren't three of us working," he says, "me, my wife and her sisters. We split everything three ways."

"But still at the end of the month I've only got \$80 to \$70 in the bank, out of an income of \$1200 to \$1500. I'm going to vote for Jarvis-Gann. I can't make it otherwise."

Jarvis-Gann is the name of a controversial California initiative that would virtually eliminate the property tax as a serious source of revenue. The proposal rides the crest of what is perhaps the most determined tax revolt movement in the country - and comes at a time when property tax relief is growing as an issue nationwide.

Last year twenty-three states authorized property tax relief of some kind, and relief is currently a hot issue in areas including Maryland and the District of Columbia.

"If something like Jarvis wins in California, it's bound to give impetus to those who are worried about substantial annual changes in property tax elsewhere," says John Behrens, property and public finance specialist with the U.S. Bureau of Census.

"Jarvis-Gann is only the first of the tax revolutions, not the last," contends former Los Angeles police chief Ed Davis, a conservative who wants the Republican nomination for governor. "There's a property tax revolt out there and it's going to spread around the country."

While Jarvis-Gann would alleviate only one part of Jim Roberts' total tax burden, he and California's four million other homeowners - who with their spouses form a majority of the state's voters - would clearly benefit from the initiative. California property taxes have risen up to fifty per cent each year for the past three, and many homeowners are determined to let the government know they resent the rises.

The catch is that such taxes, assessed by local governments, draw in nearly as much money as the state does from general taxes (\$10.4 billion compared to \$13.2 billion last year) and pay for local services including schools, welfare, police and fire protection.

Jarvis-Gann would reduce the take by two-thirds and presumably cripple such services unless new state taxes, increas-

ing the burden on the propertyless, were introduced.

"The issue really is, do you want to reduce the level of service?", says Marin County Auditor-Controller Michael Mitchell.

State Superintendent of Schools Wilson Riles has estimated that passage of the Jarvis plan would mean a cut in school budgets in cities like San Francisco and Oakland by as much as 40 to 50 per cent unless other, new taxes are raised.

Hidden in the support for Jarvis-Gann - named for conservative activists Howard Jarvis and Paul Gann, who organized the initiative - is the conservative backlash of the '70s against such public services, especially welfare.

And the Jarvis-Gann bill ignores one of the main underlying problems, a California housing shortage that has driven up prices to astronomical levels in many regions.

In fact, according to some economists, Jarvis-Gann is likely to drive prices up even higher by making house purchases more attractive without increasing supply. With no new taxes, holding land for speculative purposes would continue to be attractive. Continued pressure on the housing market would also be likely to increase demands now surfacing around the state for rent control, decreasing incentive to build apartments.

Counter-Measure

While no one knows whether Jarvis-Gann will pass, it has so alarmed the California establishment that it has united behind a counter-measure to be offered as a rival on the June 6 primary election ballot.

The Behr bill, named for its titular author, State Senator Peter H. Behr, would cut property taxes for homeowners by a third and put a freeze on both revenue rates and spending in order to hold the line. The bill passed the legislature and was signed by the governor in early March. But it still requires voter approval in initiative form, since an amendment to the state constitution is involved, plus the defeat of Jarvis.

Like Jarvis, Behr relies on the existence of a \$3 billion surplus in the state treasury, a unique California possession accumulated by the parsimony of governors Reagan and Brown, as well as what looks now like over-taxation. Behr would use this money and surpluses expected over the next five years to make up \$1.4 billion a year in lost property tax revenues to local governments.

Behr would be much less expensive than Jarvis, expected to eliminate \$8 billion of next year's anticipated \$12

billion take, because it would not reduce taxes on commercial properties - such as apartment buildings, factories and office buildings - which provide two-thirds of property taxes. Commercial property has accelerated in value much less rapidly than homes. Thus, the prime beneficiaries of the Behr bill would be the homeowner, while the Jarvis plan would mainly benefit owners of income producing property who would receive an estimated two-thirds of the tax break.

"We felt the people of this state and the property owners of this state deserved a reasonable alternative," says Don Wiedmann, head of the California Association of Realtors, whose powerful lobby shaped the Behr bill to its present form.

"Now they've got a choice," he adds. "Do they want 30 per cent with no new taxes, or do they want 60 per cent and not know where the rest of it's going to come from?"

Wiedmann's association is part of the surprising coalition that has formed behind Behr, ranging from the legislature through the governor to organized labor and big corporations, including the Bank of America.

If nothing else, Jarvis has illuminated the nature of the establishment in California, which clearly feels its interests - either in the form of stability or avoiding new special taxes - to be threatened.

But both measures have a number of things in common. First, their dual existence means that rebellious taxpayers have already won the battle before it is engaged at the polls. Either way, their property taxes will drop.

Both can be seen as little more than a simple raid on the treasury. The only question is, how big will be the spoils?

Neither makes real provision for renters. Although under Behr they would be able to deduct \$75 from state income taxes instead of the current \$37, the owners of rental property would continue to pay the same high rates as at present - and presumably pass them on to their renters.

Both measures would reduce local autonomy by increasing state control over local government finances.

And both proposals would fail to deal with the critical housing shortage.

"Until you do a total turn-around as it relates to the availability of the supply," says Don Wiedmann, "you will not correct the high price of housing."

In Oregon

The Jarvis-Gann measure is of special concern to Oregon because a similar petition is now being circulated that would restrict the property taxes that could be assessed against Oregon property.

Monday State Senator Victor Atiyeh, a Republican candidate for governor, proposed that taxes on residential property be limited to 3 per cent of the family's

Trojan plant called unsafe

Pollard, a nuclear reactor engineer who was project manager for the Nuclear Regulatory Commission and worked for its predecessor the Atomic Energy Commission, reviewed electrical aspects of safety systems at Trojan before the plant went into operation. He was contacted by the Trojan Decommissioning Alliance, which asked him to provide an assessment of DBA sequencer problems at Trojan.

"DBA sequencers are a critical piece of equipment vital for starting safety systems if there is an accident," Pollard said. "All safety devices cannot be activated at once or there would be an overload of the electrical system, so sequencers are used as a timing device for sequential activation of safety components." He said that at Trojan "time and again there have been problems with the sequencers but PGE never took anything other than stopgap measures to remedy the situation. The sequencers are basically unreliable components."

A nuclear engineer who served as a federal inspector of safety systems at the Trojan nuclear power plant says recurring problems with a control device at Trojan indicate that the plant is relying on "basically unreliable components" to fulfill safety functions.

Robert D. Pollard, a reactor engineer who reviewed electrical safety systems at Trojan during federal licensing inspections, said in a statement released Monday that Design Basis Accident sequencers at Trojan - critical equipment for starting safety systems in order and preventing overload of circuits - lack "an adequate prototype program developed to determine reliability."

Pollard said that "if PGE can't handle this level of problem, there is no chance they can run the plant safely."

To late to classify

Will babysit in my home. Any age, anytime. 256-1466, 16001 N.E. Halsey, Apt. 18.

income.

He supports the idea of an "equity tax" that would be based on a certain percentage of the person's income and that tax, in effect an additional income tax, would provide funds for local government and

school districts.

Atiyeh said he is emotionally supportive of efforts to limit the property tax but does not believe local governments could cut spending by the degree that would require.

The initiative now being circulated would limit property taxes to 1.5 per cent of assessed evaluation. The California proposal limits property tax to one percent of fair market value.

ARNOLD BISKAR

CITY COMMISSIONER POSITION NO. 2

FOR BETTER CITY MANAGEMENT

Arnold Biskar will bring 30 years of experience as an accountant, CPA, and management advisor to the City Council. Today, more than ever, our municipal government needs this valuable business experience.

ARNOLD BISKAR BELIEVES IN: BETTER MANAGEMENT OF GOVERNMENT PROGRAMS - End duplication of services. Cut administrative overhead. Set priorities for services based on needs of citizens. Make better use of existing facilities.

NEIGHBORHOOD ASSOCIATIONS - Expand citizen participation in proposals concerning their neighborhoods, such as park levies.

DOWNTOWN HOUSING - Create a proper mix of housing and commercial development in the downtown core for a broad range of income groups, from students to senior citizens.

HUMAN RIGHTS - Elected officials have an obligation to provide leadership in equal rights and affirmative action programs.

SENIOR CITIZENS - Stop present duplication of administrative functions. Utilize funds for direct services. Hire a senior advocate to represent seniors.

PORTLAND'S LIVEABILITY - Control city growth. Attract clean industry if it will really provide jobs. Preserve green space. Make better use of parks and waterways.

CIVIC AND GOVERNMENTAL EXPERIENCE

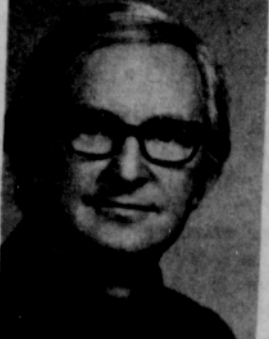
Arnold Biskar's experience includes active participation in many civic and governmental activities.



- Portland Budget Task Force, Public Affairs, 1976-77
 - Portland Budget Task Force for Bureau of Traffic Engineering and Bureau of Neighborhood Environment, 1977-78
 - City Council appointee to Portland Hospital Facilities Authority
 - Oregon Accountants for the Public Interest
 - Oregon Society of CPAs
 - Board of Directors, American Red Cross, Oregon Trail Chapter
 - Board member, Young Audiences of Oregon
 - Portland Chamber of Commerce, member Cultural Resources Committee
 - Portland City Club
 - Board member and treasurer, Portland Ballet Society
- ARNOLD BISKAR IS ENDORSED BY:**
- Oregon Journal
 - Multnomah County Democratic Central Committee
 - Oregon Women's Political Caucus
 - Portland Town Council
 - Citizens for Good Metropolitan Government
 - Willamette Week
 - Portland Observer

Elect Arnold Biskar Committee / P.O. Box 592 Portland, OR 97207 / Roger G. Paul, Treasurer

Re-elect Wally Priestley Representative Democrat District #16



WALLY PRIESTLEY FOR REPRESENTATIVE DISTRICT #16

DEMOCRAT

PORTLAND OBSERVER
Priestley - Dist. #16
Wally Priestley should be retained in the Legislature, representing District No. 16. Priestley is an active and responsible legislator.

NEWSPAPER ENDORSEMENTS:
• COMMUNITY PRESS
• PORTLAND OBSERVER

DIST. 16, PRIESTLEY AND BROUSSARD - Democrats should retain Wally Priestley; unopposed Bruce Broussard is legislator reputation doesn't diminish the value of his service in the interest of consumer causes. He has gained additional insight as a school board member that should increase his worth as a legislator.

- Oregon Consumer League..... 100%
- Oregon State Council of Senior Advocates..... EXCELLENT
- Oregon Environmental Council..... 100%
- Oregon Women's Political Caucus..... 94%
- Common Cause..... 90%
- AFL-CIO..... 84%

Democrats to Keep Wally Priestley Fighting at the Capitol, 6226 NE 32nd Ave., Portland, OR 97211

Endorsed by the Portland Observer

Re-elect JIM CHREST

Democrat - North Portland - Dist. 15

"Working With You - Working For You"

Endorsed by:

- Oregon Journal
- Oregonian
- Willamette Week
- St. Johns Review

- only incumbent legislator endorsed by Oregon Assembly of Black Affairs
- endorsed by Oregon Women's Political Caucus
- endorsed by Oregon League of Environmental Voters
- endorsed by nearly every major labor organization in Oregon:

Oregon AFL-CIO, Coalition of Labor Union Women, Oregon Machinist Council, United Transportation Union, United Steelworkers, Oregon State Employees Association, Amalgamated Transit Union, Joint Council of Teamsters No. 37, ILWU, Portland Association of Teachers, Oregon Education Association, United Auto Workers

Oregon Journal: "Chrest is a hard worker, does not knuckle under to controversy and is among the leadership trying to keep the state moving forward. . . The needs of the state are better met by the talents offered by Chrest."

Willamette Week: "Jim Chrest . . . works hard . . . a solid advocate for the working man and woman. More than that, he can smell arat when one exists, as his efforts to call attention to abuses in the OLCC have demonstrated."

St. Johns Review: "While opinion polls show government officials suffering a decline in credibility, Jim Chrest is at least one who proves public officials can be trusted. . . Because of his record of working with the people and actively representing the position of his electors, the Review fully supports Jim Chrest for re-election as State Representative, District 15."

Portland Observer: "His ability and desire to work with the people are supplemented with the determination and independence to use his talents for the benefit of his district."

Re-elect State Rep. Jim Chrest Committee, 9112 N. Kimball, Portland, Oregon 97203, Tom Fuiser, Treasurer

Re-Elect Frank Ivancie

- Streets & Transportation**
Ivancie recognizes that street maintenance is a top priority problem. He strongly supports direct citizen input and continues to demand increased street repair, maintenance, and cleanliness.
Ended 40 years of talk. Built the 17th and Powell underpass.
Helped sponsor the petition to let the people vote on the Mt. Hood Freeway/Transitway.
- A Safe City**
Police and Fire Departments with manpower and equipment to make Portland's streets, parks, and homes safe for residents and visitors.
- Education**
Frank Ivancie has a Master's in Education. He speaks from experience as a teacher and school administrator, as well as a parent. "Schools should concentrate on the basics. Our neighborhood primary schools must be kept open."
- Taxes**
Believes city government must live within its means. Demands a no-nonsense budget with no frills.
Opposed new taxes: sales tax, overlapping city-county taxes.

This information was paid for by Portlanders of the Re-Elect Frank Ivancie Committee, James Lonergan, Treasurer.