

Salem Scene

by Everett E. Cutler

Sales Tax Package In Hands of Voters

Nobody under 40, except legislators, has ever voted on the Oregon sales tax question.

Proponents of a state sales tax for offsetting local property taxes note that it has not been on the ballot for 22 years, and thousands of new voices wait to be exercised.

In 22 years, too, Oregon has become one of only a handful of states without this form of taxation. And many more of our present citizens, over and under 40, now have lived with the system in other states.

Senate and House concurrence on the issue here last week now clears the line for the voices of voters, old and new, to be heard on June 3.

Here is how the question will be worded, unless changed by the courts, on the special election ballot:

"School Tax Limitation and Sales Tax: Constitutionally limits school property taxes and enacts 3 per cent sales tax and increased corporation taxes. Exempts food and prescription medicines. School districts cannot exceed property tax base without a vote of the people. Restricts number of school elections, providing uniform election dates. Establishes new tax bases for schools. Entire proceeds of sales tax Constitutionally dedicated to reducing property taxes. Sales tax cannot be increased without a vote of the people."

School Budgets Limited

More specifically, property tax levies for school districts would be limited to 5 per cent growth annually. This limit applies to new tax bases for each district—another provision of the overall package passed by the legislature.

Elections to exceed the limitation are restricted to two a year. If successful, such action would have to be followed at the next primary election by a new tax base election.

A 3 per cent retail sales tax—with the rate locked into the Constitution—and 16.5 per cent increase in corporate taxes is expected to raise about \$106 million annually for property tax relief. Relief would be granted equally to all classes of property, averaging about \$6 per \$1,000 of taxable property.

Property taxes would be reduced by about 20 per cent on a statewide average. State revenue would be returned directly to local government units, causing lower property tax statements, via the Property Tax Relief Fund established by the 1965 legislature.

Distribution Simplified

This simplified distribution method was devised by the Senate after it was determined that returning sales tax money by way of increased basic school support would short-change some school districts—notably No. 1 in Multnomah County.

Another simplification enacted by the Senate and concurred in by the House is the exemption of food from sales taxation. The House had first favored a graduated income tax refund system, which would have paid

greater returns to low-income families and saved collection costs, but senators felt the concept would not be understood by voters and would hurt chances for the measure's passage.

Restaurant meals would be subject to the sales tax. Other exemptions approved by the legislature include private colleges, boxcar construction, feed, seed and fertilizers, and raw materials used in manufacturing which do not become part of a finished product. Cigarettes are "exempt" in the sense that no increase would be added to the present 4 cents-a-pack sales tax.

The Constitutional amendment to be voted on does not improve the state basic school support formula.

Legislators would have sought for years to raise state support to 50 per cent of schools' operating costs, but the trend has been toward a decline. The 20 per cent relief offered by the sales tax and corporate tax increase, however, would have the effect of raising state aid to about 40 per cent.

Elderly Homeowners Benefit

Two provisions contained in Gov. Tom McCall's original recommendations were added by the Senate and approved by the House last week. One would freeze homestead property taxes of homes appraised at \$20,000 or less true cash value when they reach age 65. The other provides for income tax refunds on a sliding scale to homesteaders and renters who earn less than \$3,500 annually.

Estimated cost of the two provisions is \$16.5 million a biennium. It would be financed out of the general fund, and not by the sales tax.

Cost of collecting the sales tax would be about \$2 million the first year and \$1.5 million annually thereafter, estimates the Senate Tax Commission. Retailers, to help offset their collection costs, would be allowed to keep 1.5 per cent of their total sales tax collection the first year, and 1 per cent thereafter.

The tax would become effective July 1, 1969, if approved, along with other provisions of the entire package. Property tax relief would first become evident with the mailing of statements in the fall of 1970.

Final legislative passage of the sales tax package now gives lawmakers time to concentrate on other issues, and they expect to be adjourned at home by June 3. The legislature did keep its promise to make tax reform the number one issue, and now for the first time in 22 years the question is in the hands of Oregon citizens.

Ramps Closed

Boat launching ramps at the Boardman Marine Park are temporarily closed for repairs, it is announced. The public is advised not to use these ramps until repairs are completed. Further information may be obtained from the Boardman City Hall.

STATE CAPITOL

Legislators Work In Many Areas Other Than Taxes

By ROBERT F. SMITH
Speaker of The House

Most of the newspaper headlines during the legislative session have dealt with the subject of property tax relief, but legislative committees are working quietly in many areas of concern to Oregonians.

One of the major problem areas receiving attention in the Senate and House Elections are the question of election law reform.

We need only to look at the primary and general elections of 1968 to realize that our election laws are full of loopholes and devoid of clarity.

Candidates are often left in the dark as to what the ground rules are, especially in the area of campaign financing and the definition of false statements. This law must be clarified so that candidates for public office know exactly what their responsibilities are.

Another situation where election laws have failed to keep pace with the times is our widely heralded Presidential primary election.

Oregonians found themselves left in the lurch last year, with two announced candidates for the presidency, Gov. Rockefeller and Vice President Humphrey, being excluded from the ballot.

This absence from the ballot rendered the primary nearly meaningless. This could be changed by not allowing candidates to withdraw from the ballot and by extending the deadline for selecting the candidates. We might also consider removal of the provision for placing vice presidential candidates on the ballot.

Another area which calls for immediate attention is the creation of single-member legislative subdistricts. This would effect counties which have more than one representative or senator.

Under the plan counties with more than one legislator would be divided into districts so that each legislator would have fewer constituents to serve. This would allow him to provide better service to those who elected him, and to keep closer contact with the folks at home during a session. The constituents would know the exact identity of the person they should hold responsible. Moreover, there is no reason why one voter should have the privilege of voting for several senators or representatives while other voters can vote for only one of each.

These are three of the important election revisions which demand attention and hopefully, the legislature will be able to complete this task before adjournment.

Your thoughts and comments on these election issues are appreciated. Please keep those cards and letters coming in.

PROPERTY TAX FAX

QUESTION:
Who composes the local Board of Equalization and how do you become a member?

ANSWER:
The local Board of Equalization is composed of one member of the County Court (or County Commissioners); the senior member of the county budget committee; a non-official, non-holding freeholder (property owner) who is appointed by the other two. They serve a one year term, beginning in November.

Oregon Cattlemen Eye Developments On Grazing Fees

There has been considerable speculation and concern by Oregon cattlemen and others throughout the West as to what the courts, Congress and government officials will do concerning grazing fee increases, according to Donald Ostenson, executive vice-president, Oregon Cattlemen's Association.

A suit filed against the government opposing the public lands grazing fee increases had a hearing in U. S. District Court in Albuquerque, N. M., recently.

District Judge Bratton said, "I will take this injunction request under advisement and announce my decision within a week."

This suit was brought by New Mexico rancher Ruben Pankey and is endorsed fully by the American National Cattlemen's Association. Pankey told Judge Bratton that "the estimated value of my 72,000 acre ranch has decreased more than \$250,000 as a result of the increased grazing fees."

Cabinet Opinions Given

The cattle industry also received the opinion of two cabinet members. Secretary of Agriculture Clifford H. Hardin announced in Washington, D. C., that the U. S. Forest Service would charge the higher fees on forest lands, and Secretary of Interior Walter J. Hickel issued a similar order to the Bureau of Land Management for range lands.

The higher fees were recom-

mended last fall by the outgoing administration in an attempt to achieve what officials called a "fair market value" for grazing on public land. The proposal was later supported by the U. S. Budget Bureau.

Oregon livestock operators have denounced the fee boosts as a "threat" to the existence of the state's cattle and sheep industries.

Jones Gives Advice

Oregon Cattlemen's Association President Denny Jones, Junta, is one of five industry leaders who sits on the executive committee of the national Public Lands Council.

He had the following advice for Oregon ranchers. "After visiting with Harry Lee, National Chairman of the Public Lands Council, I find there is some disagreement among the administrators of our public lands as to whether a grazing license could be issued without payment or whether we would be liable for trespass if we turned out without a license. Therefore, the advice from the Oregon Cattlemen's Association is to pay your 1969 grazing fees when billed, and if there is an adjustment on the fees, you will be credited for it on your next year's license."

At the request of the Oregon cattle industry and by many other organized state cattle associations and the American National Cattlemen's Association, both houses of Congress

have granted public hearings on these grazing fee increases.

Hearings Scheduled

The Senate subcommittee on public lands under the Chairmanship of Senator Frank Church (D-Ida.) will hold hearings on February 27 and 28. The House of Representatives subcommittee on public lands, under the Chairmanship of Wayne Aspinall, (D-Col.) will hold their hearings on March 4 and 5. Jones and Charles Otley, chairman, OCA public lands committee, will attend and testify at both of these Congressional hearings in Washington, D. C.

Forest Service fee hikes are variable and will average 5 or 6 cents an animal unit per month. Until now the Service's fees have ranged from about 35c to \$1.60 a month for each animal unit.

The BLM increase will boost fees from 33c to 44c per animal unit in Eastern Oregon and from 63c to 71c in most Western Oregon areas.

Varieties of wedding and reception invitations at Gazette-Times office.

Spray Club Started

First meeting of the Needles in a Haystack 4-H club was held in the Spray school cafeteria February 11 at 3:30 p.m. We elected officers. They are president, Debbie Britt; vice-president, Sherrill Adams; secretary, Kristi Fisher; reporter, Donita Griffith, and sergeant-at-arms, Barbara Adams. Our leaders are Bonnie Kyle and Sandy Britt. We filled out our membership blanks.

Our second meeting was held at the Bonnie Kyle home February 18. Kristi Fisher and Donita Griffith were asked to give a demonstration on the next meeting. Sherrill and Barbara Adams furnished refreshments, and Bonnie Kyle served the Kool-Aid.

Donita Griffith, reporter

Mr. and Mrs. Arnold Raymond and family spent the past weekend in McMinnville where they visited his father, Clayton Raymond, and his older sister, Lois Francis. They also enjoyed a visit with another sister and brother who came with their families from Albany to visit at the Raymond home. Returning home on Sunday, the family traveled via Monmouth, where they stopped for a visit with his aunt, Mrs. Lucille Lamb.

YOUR SENATOR REPORTS...

BY KEN JERNSTEDT,
STATE SENATOR

18th District, Including
Morrow county

Again this week taxes upstaged all other activities of the legislature. It did so because of the dramatic manner in which it passed the Senate by a slim margin of 16-14, allowing the people of Oregon to voice their opinion on a sales tax in June. This will be the first time in nearly 22 years the people of Oregon have had a chance to vote on such a measure.

Although all the headlines were stolen by the tax drama, work was as vigorous and active as ever. The Senate committee on Health and Welfare conducted its last meeting of the controversial issue of fluoridation. According to the committee's chairman, the committee will devote the next two weeks to studying the evidence found from their hearings.

Meanwhile, the attorney general has been asked for an opinion on the constitutionality of the state paying for fluoride pills that would be distributed at schools on a voluntary basis. The committee is also considering a proposal that would leave fluoridation up to the local control.

On the lighter side, the Beaver, the buck-toothed, furry friend of dam builders, made his catch in the marble halls of the Capitol this week with the passage of the Senate's version of a bill that makes him Oregon's official state animal. The bill now goes to the House.

Would Cut Exemptions

Literary, benevolent, charitable, scientific, religious and fraternal organizations may lose their tax exempt status next year, if a bill introduced in the House is passed. The bill would levy a property tax the first year, of 10 per cent on the normal rate on the afore-mentioned property. An additional 5 per cent would then be levied every third year of application until reaching a ceiling of 25 per cent. It would apply January 1, 1970.

Hospitals, orphanages and homes for the aged, which are organized to serve the poor, would continue to be exempt from the tax rolls. According to the author, the bill is intended to bring out greater equality in property taxes.

A guarantee was given to the legislature this week that Ore-

gon will never suffer from nuclear plant pollution. Chief engineer for the State Sanitary Authority, Kenneth Spies, said this guarantee will be honored because of Oregon's strict restrictions against using water as a direct coolant for nuclear power plants. He also noted that thermal pollution will be avoided through the requirements of cooling lagoons and cooling towers.

Flag Burners Target

Controversy was a common element in bills introduced on preventive detention, flag burning and motorcycle helmets and penalties on drugs.

A bill was introduced at the request of the veterans which would provide for a penalty from \$100 to \$500, or a year in jail for persons desecrating a U. S. flag.

Legislation has been introduced to stiffen the penalties on marijuana and LSD pushers, and reduce the punishment on those who use the two drugs. Under the present law, both sale and use of "pot" are felonies, but sale and use of LSD are misdemeanors.

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Pioneer



Ponderings

By W. S. CAVERHILL

A Successful Farmer's Reaction

I encountered a large and successful farm operator and asked his opinion on the impact of the proposed sales tax on his business. His reply seemed sound to me. It follows verbatim for others to judge.

"A 3 percent sales tax for property tax relief? This sounds good, but let me tell you how this will effect me. In November I receive an estimated 25-30 percent reduction in my property tax. But through the course of the year my sales tax taxable farm and living expenses will replace this relief. This will happen whether the year has been profitable or not.

"Some of my neighbors that rent much of their land would have very little tax reduction with much more tax in the form of a sales tax. Others that own their land and raise a crop every other year with smaller farm expenses would probably have 5-10 percent relief.

"A property tax relief that is not raised in some manner related to ability (income) is not relief."

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