

Legislative Tax Program Faces Possible Voter Referral Action

By ZAN STARK and
ANN H. PEARSON

SALEM (UPI) — Discovery of an error in the legislature's \$60 million tax package as it awaited the governor's signature bolstered charges that it was "a paste pot and scissors job."

Lawmakers were so convinced that voters would reject the package that they set aside \$300,000 and an October date for a referendum election.

Senators feared the package would not raise enough money to finance the \$404 million spending program for the next biennium. House members claimed the bill was so poorly drawn it would raise more than planned.

Senators insisted a one-shot

speedup of withholding tax collections be held in reserve for emergencies.

House members added a provision that if there was more than a \$10 million surplus, the excess would be used to offset property taxes.

The package included a 28 percent hike in the state personal income tax to raise an additional \$48 million, a liberalized capital gains law, and increased corporate excise taxes.

The new law was not what the governor, House or Senate wanted. Gov. Mark Hatfield recommended a net receipts "tax reform" program, and called for a 4-cent cigarette tax.

The House Tax Committee, after

250 hours of hearings, recommended nearly the governor's plan, and the one-shot feature.

Senate Changed Things
The Senate Tax Committee threw out the net receipts and cigarette tax, revised the present law and raised the rates.

The House wouldn't buy it. A 14-day deadlock on the revenue program was the result.

The third conference committee came up with a "compromise" pretty much the Senate plan. The House grudgingly accepted, but retaliated by killing a Senate measure to submit a sales tax to the voters in November of 1964.

The battle finally ended minutes before the legislature ad-

journing when the House was forced to bow to a Senate coup which trimmed funds from the interim tax committee, and made appointment of a senator as committee chairman mandatory.

House Minority Leader P. P. Montgomery termed the tax package a "paste pot and scissors job."

The need to increase taxes haunted the session. The state's surplus had run out. There was no way to avoid a tax increase.

Everyone spoke in terms of a referendum election. Legislators began talking of referral even before the tax hike was drafted.

The war over the tax increase wasn't a Democrat versus Republican affair.

It was every man for himself. Each remembered the nightmare of 1955 when the Republican-dominated legislature adopted a 45 percent surtax.

The voters reacted so violently that Democrats were swept into office, gained a 15-15 split in the Senate, and a strong working majority in the House.

It was a lesson that no lawmaker can forget.

Special Session Seen
On the final night of the session, Sen. Walter Pearson, D-Portland, voted against pay hikes for state employees and educators and warned his colleagues "it's about time we shed a few tears for the taxpayers. They are the ones paying the bills."

"We have passed a tax increase the voters will not accept. We will be back here (in special session) in October."

So many different tax proposals were drafted that most taxpayers had no idea what the final result was—except they know their taxes are going up.

The following table was prepared by the Tax Commission to show what the out-of-pocket increase would be:

—\$1,000 income: Single person up \$2, couple up \$10, family of four up \$10.
—\$3,000 income: Single up \$17, couple up \$9, family of four up \$18.

—\$5,000 income: Single up \$33, couple up \$20, family of four up \$28.
—\$7,000 income: Single up \$43, couple up \$26, family of four up \$35.

—\$9,000 income: Single up \$46, couple up \$26, family of four up \$34.
—\$15,000 income: Single up \$84, couple up \$53, family of four up \$61.

The House and governor wanted "tax reform" and "base broadening" based on the ability to pay theory.

The Senate demanded a program which included base broadening, but also hit hard at large families on the theory that education accounted for more than half of the state's spending.

The voters have until Sept. 2 to make up their minds.

If 23,185 of them sign a petition, a special election will be held in October.

If the tax program is turned down, the state would be about \$80 million short of the amount needed to balance the budget.

A special session would have to be called.

Many lawmakers are convinced they will be back in Salem next October.

Basin Briefs

BLV
MR. AND MRS. DON WESSEL, Connie Hall, Mr. and Mrs. Bill Nixon, and Diane Melness recently returned from a trip to Fort Ord where they visited Paul Melness. They also spent two days in Santa Cruz.

MALIN
MALIN PLAYERSCHOOL enjoyed a train ride from Dorris to Klamath Falls, followed by a picnic in Moore Park on May 23. About 35 children and mothers participated.

SHIRLEY KING, daughter of former residents Mr. and Mrs. Dean King of Madras, is in the Graham Hospital suffering from rib and spinal injuries received when a tree fell on her. She was with members of her senior class on Senior-Sorak Day following a trail near Mt. Hood when the accident occurred. Grandparents are Mr. and Mrs. Tony Victorin.

MR. AND MRS. JAKE SILVA of San Leandro spent the Memorial Day weekend with her sisters, Mrs. Caroline Krupka and Mrs. John Reber.

FRANKIE HOBBS, Chico, and her daughter, Barbara Sinkerd, and daughter Wanda of Alturas recently visited Mrs. Hobbs' brother and wife, Mr. and Mrs. Bill Hays.

Merrill High Students Receive Awards

MERRILL—The Merrill High School awards assembly was held May 24 in the high school gym.

Betty Ann Chapman and Jean Lyman received awards as the regional Science Fair winners, and Lynn Pope received the chemistry award. Recipients of the Kiwanis award for the all-around boy and girl were Lynn Pope and Colleen Crockett.

American Legion Essay awards went to Dennis Barry, first; Suzanne Kandra, second; and Carol Parnell, third. VFW essay winners receiving recognition were Dale Kurtz, first; Suzanne Kandra, second; and Dave West, third. Myrene Cunningham was the recipient of the DAR home-making award.

Lois Hobson received an award for placing first in the county conservation contest with a speech and essay, and Robert

Merrill received the second place award in the county with an essay.

Library awards were presented to Myrene Cunningham and Jeanne Laney, John Chaburn, Suzanne Kandra, Lois Hobson, Jean Lyman, Betty Ann Chapman, Marion Bowlsby, and Allen Hobson received speech awards.

Fifteen girls achieved GAA awards. They were Sylvia Andrieu, Sandra Callahan, Marguerite Carter, Audrene Cunningham, Jeannie Graham, Judith Hardesty, Janis Hodges, Candice Kandra, Jean Lisk, Leah

Lisk, Bonnie Matthews, Claudia Ainsworth, Cheryl Chaburn, Carol Haskins and Colleen Crockett.

Athletic awards in football were presented to Kenneth Haskins, Charles Cahen, Larry Conner, Jim Merrilees, Robert Merrilees, Gary Orem, Gary Thompson, Earl Danosky, Bill Geraghty, Dale Kurtz, Lynn Long, Bob

Moore, Jim Moore, Ted Roller, Ken Smith, Dave West, Dwight Winther, Doug Woods, Dave Alter, Mike Duke, Dale Hill, Dave Hill, Jerry Maxwell, Bill Poe, Ray Rankin, Jim Reed and Jim Thompson.

Basketball awards were received by the manager, Robert Merrilees, Dale Alter, Robert Cunningham, Dale Kurtz and Ted Roller.

Recipients of baseball awards included Kenneth Haskins, Mike McKoon, Larry Conner, Larry Kurtz, Dale Kurtz, Bob Moore, Jim Moore, Ken Smith, Dennis Barry, Dave Hill and Jim Reed.

Track awards went to Robert Merrilees, Dale Alter, Robert Cunningham, Dale Kurtz and Ted Roller.

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POLICE CHIEF NAMED GUN CLUB MEMBER — Charles A. Howard, Klamath Falls chief of police, second from right, receives from Maj. Curtiss H. Gruye, president of the Kingsley Field Rod and Gun Club, a card attesting to his being named an honorary member of the gun club. At left is Maj. George H. Williams. The other observer is Maj. Thoville G. Smith, membership committee chairman. — USAF Photo

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Single County District FACT SHEET

1962-63 Distribution	Enrollment	Assessed Valuation	Total Valuation
	9-30-62	Per Pupil	Each Area
District No. 2, K.U.H.S.	2,057	\$20,968.68	\$43,132,565.00
County High	1,032	43,514.97	44,907,450.00
County Elementary	5,289	11,386.10	60,221,062.00
District No. 1 Elementary	2,481	11,212.00	27,818,953.00
	** 10,859		\$88,040,015.00

* 2,773 Elementary Students within K.U. boundaries.

** 7,314 Students within K.U. boundaries, but only about one-half County assessed valuation.

MILLAGE LEVIES — These figures are based on the actual 1962-63 levy for operating budgets, plus the \$350,000 County serial levy (all using actual assessed valuation 1-1-62 and actual State money offsets used to compute 1962-63 levies.)

— VOTE YES for CONSOLIDATION —

PRESENT TAX ASSESSMENT ON THREE DISTRICT SYSTEM:

	City	Suburban	County
District No. 1	25.6	County Elem. 22.6	County Elem. 22.6
K.U.H.S.	14.3	K.U.H.S. 14.3	County High 11.6
This	39.9	36.9	34.2

ESTIMATED SINGLE COUNTY UNIT ASSESSMENT:

Total all three budgets, plus \$350,000 Serial Levy (\$3,259,146.00)	City	Suburban	County
Minus This	37.0	37.0	37.0
EQUALS DIFFERENCE:	-2.9 Mills	Plus 0.1 Mills	Plus 2.8 Mills

— VOTE YES for CONSOLIDATION —

DOLLAR DIFFERENCE ON 2.8 MILL INCREASE:

Ranch Assessed Value	\$100,000 x 25% (true cash value) x 2.8 equals	\$70.00
Home Assessed Value	10,000 x 25% (true cash value) x 2.8 equals	7.00

Two Railroads, Four Utilities and Weyerhaeuser Company provide about 38% of the taxes levied for school support.

— VOTE YES for CONSOLIDATION —

ADVANTAGES OF SINGLE COUNTY DISTRICT:

1. "All the money behind all the Children." (More education for each dollar spent)
2. Unified educational system, Grades 1 through 12.
3. Streamlines to provide more economical administration and removes District boundary obstacles which hamper flexible long-range planning of teaching methods and building programs. (One District as opposed to four).
4. Future growth and added assessed valuation from industry will benefit all of Klamath County and not only the areas limited by present District boundaries.
5. Provide flexibility and unity of purpose in the use of present and future facilities.
6. Would allow us to provide many new teaching tools through an instructional materials pool to be used throughout the County.
7. Eliminates overlapping areas of jurisdiction which now cause a hopeless conflict of interests and taxing Districts.
8. Prevents duplication of expenditures — such as a new High School at Henley and one in the suburbs to eliminate overcrowding in separate school Districts.
9. Complies with the intent of the State school reorganization program, thereby indicating to the State that Klamath County is progressive enough to solve their own problems.

ALL THE MONEY BEHIND ALL THE CHILDREN
VOTE YES FOR ONE COUNTY UNIT SCHOOL DISTRICT

Pd. Adv. — Single District Committee, E. E. Motter, Chairman, 5122 Bryant Ave.