

INSTRUCTIONS

FOR CIRCULATORS

- A petition circulator must be an elector of the state.
- Only electors may sign a petition.
- Do not use ditto marks.
- It is advisable to use a pen or indelible pencil for signing petitions.
- Only one circulator may collect signatures on any one sheet of a petition.
- All signers on any one sheet of a petition must be electors of the same county.
- The signature sheet affidavit must be completed for each sheet by the circulator of that sheet.
- It is unlawful for a person circulating a petition to knowingly make any false statement to any person who signs it or requests information about it.
- It is unlawful to circulate or file a petition knowing it to contain a false signature.

FOR SIGNERS

- Only electors may sign a petition.
- Do not use ditto marks.
- Sign your full name, as you did when you registered, and fill in the date on which you signed the petition, your residence address and your precinct in the spaces provided.
- If your signature is difficult to read, print your name clearly in the space provided.
- It is unlawful to sign any person's name other than your own. Do not sign another person's name under any circumstances.
- A woman should sign her own name, not her husband's or her husband's initials; for example, "Mary A. Jones," not "Mrs. John A. Jones."
- It is unlawful to sign a petition more than once.
- It is unlawful for a person to knowingly sign a petition when not qualified to sign it.

INITIATIVE PETITION State of Oregon

Chief Petitioner:

Governor Victor Atiyeh
796 Winter Street, N.E.
Post Office Box 12773
Salem, Oregon 97301

Submitting the following constitutional measure to the people for their approval or rejection:

BALLOT TITLE:

CONSTITUTIONALLY CREATES NEW SCHOOL TAX BASES, CHANGES LEVY GROWTH LIMIT

QUESTION:

Shall constitution create new school tax bases, change growth limit to personal income growth, permit one yearly tax base election?

EXPLANATION:

Amends constitution. Creates new school district tax bases (old base plus excess operating levy). "School district" includes education service districts, community colleges. Changes school tax base growth limit from six percent to per capita personal income growth. School levies outside tax base permitted in emergency, if voter approved. New tax base elections limited to once yearly. Measure effective if passed by more votes than other ballot measure(s) changing constitutional tax base provisions, other measures repealed.



STATE OF OREGON

INTEROFFICE MEMO

TO: Robert W. Smith
~~Von Yunker~~ *JS*

FROM: Chang M. Sohn
Margaret J. Hallock
Ronald A. Oliveira *RAO*

DATE: May 20, 1983

SUBJECT: Alternative Personal Income Tax Revenue Generation Measures

Recently the May revenue forecast demonstrated the potential for a 1983-85 revenue gap of \$68 million. Because of this revenue problem we have analyzed various revenue options in order to provide background information for the Governor.

We asked Richard Yates of the Department of Revenue to estimate the revenue impacts of alternative personal income tax revenue generation options. The revenue increases shown below for each option are from a starting base of \$2,150 million for the 1981-83 biennium.

<u>OPTION</u>	<u>1983-85 REVENUE INCREASE</u> (million \$)
1. Higher Surtax	\$ 58.3
- Increase personal income tax rates from current law to get the following range: 4.3%, 5.4%, 6.7%, 7.8%, 8.9%, 10.1%, 11.1%.	
2. Lower Federal Tax Deduction	\$ 53.1
- Lower the maximum deduction for federal income taxes paid from \$7,000 to \$5,000 (for married-joint returns).	
- This option can be justified because of the recent 23 percent reduction in federal income tax rates and because it increases the progressivity of the state tax structure.	
3. Taxable Income Bracket Extension	\$141.4
- Expand the top tax brackets as follows:	
\$10,000-12,000	10.8%
\$12,000-15,000	11.8%
greater than \$15,000	12.8%
- This option also leads to a more progressive personal income tax structure.	
- Note that the bracket extension could be altered to lower the revenue increase through a different tax rate structure.	

- | | |
|--|---------------|
| 4. Minimum Tax | Not Available |
| - Add to minimum tax schedule items that were previously non-taxable income:
(i) excluded dividend income
(ii) losses used to offset other income | |
| - Increase minimum tax rates by one-half percent at the lower rates and by one percent at the higher rates to get:
(1.5%, 2.0%, 3.0%, 3.5%, 4.0%) | |
| 5. Non-resident/Part-time Resident Calculation | \$ 7.0 |
| - Determine tax rate and tax on basis of total income from all sources over the year and then pro-rate on the basis of the percent of income earned in Oregon. | |
| 6. \$85 Tax Credit | \$65-\$68 |
| - Replace \$1,000 personal exemption with an \$85 tax credit per person. | |
| - This option also makes the system more progressive. | |

Summary of school tax base initiative petition activity - May 27 - July 2, 1986

1. Key support groups were contacted and plans developed to follow up petition mailings to members with additional mailings, telephoning, publicity, etc.

The key groups and their goals were:

COSA - 40,000	Approximately 12,000 collected.
OSBA - 5,000	Approximately 1,000 collected.
Farm Bureau - 25,000	Approximately 500 collected.
Oregon Federation of Teachers - 10,000	Approximately 1,500 collected.

2. Petitions from miscellaneous groups and individuals account for approximately 3,000.
3. Twelve students were hired to collect signatures at the rate of 50¢ per signature. Only six of them turned in any signatures; the others took other jobs. The total collected by paid petitioners is only 500.
4. Total signatures collected in five weeks: approximately 18,500.
5. As an incentive to the support groups, the Governor held news conferences and met with several groups in these areas: Eugene, Roseburg, Medford, Klamath Falls, Bend, Portland (school administrators' meeting) and Clackamas County. It is clear that these activities encouraged circulators; there are definitely more petitions proportionately for these areas.
6. I have asked the key support groups to put into writing if they want their assessment of what happened. The most frequent comments I have heard from them are:
 - (1) Signature collectors are activists. The members of the major support groups involved in this effort are not activists.
 - (2) The issue turned out to be a low priority for the members (Farm Bureau).
 - (3) Signature collecting was simply much harder work than people anticipated (paid collectors and OFT members).

There is general agreement among the support groups that the measure itself is not the problem. The reaction to it from the public was almost always positive. There just were not enough people collecting signatures.

EXAMPLES ONLY of \$220m legislative proposed budget cuts

Economic Development & Consumer Services \$1,881,257

1. Eliminate motion picture manager
2. Reduce marketing program
3. Eliminate animal and stray program

Education \$91,288,477

1. Reduce programs at Schools for the Blind and Deaf
2. Reduce support to community colleges (5,500 full-time students unfunded)
3. Eliminate talented and gifted program
4. Reduce basic school support to 30.3%
5. Eliminate funding for higher ed salary increases
6. Increase tuition by 3%
7. Eliminate or reduce various research programs in agriculture, forestry
8. Reduce services from Crippled Childrens Division
9. Reduce scholarship program

Human Resources \$60,087,815

1. Reduce support to Commission for the Blind
2. Eliminate cost-of-living adjustments to clients and providers
3. Eliminate foster care program
4. Eliminate health division grants to counties
5. Reduce services for alcohol and drug program

6. Eliminate seniors risk intervention program
7. Reduce county grants and court subsidy program for local community-based programs for problem youth
8. Eliminate legal services and expanded sexual abuse program
9. Eliminate general assistance benefits to parity with ADC
10. Eliminate new forensic ward
11. Eliminate additional correctional facility

Board of Parole \$87,525

1. Eliminate two positions

Natural Resources \$2,502,265

Columbia Gorge

1. Reduce efforts to secure public and private cooperation to protect Gorge

Environmental Quality

1. Reduce water quality program
2. Eliminate solid waste program resource recovery technical assistance
3. Reduce air quality program

Fish and Wildlife

1. Eliminate one-third of fisheries enhancement package

Forestry

1. Reduce fire protection
2. Reduce insect and disease program

Geology and Mineral Industries

1. Seriously reduce mineral potential economic development

Department of Land Conservation and Development

1. Close all field offices
2. Reduce grants to local government
3. Create further delays
4. Risk federal decertification of coastal program

Water Resources

1. Loss of positions
2. Delays in porcessing hydroelectric permits
3. Eliminate efforts to identify low temperature geothermal resources

Public Safety \$5,334,801 (\$4,242,799 from State Police)

Department of Justice

1. Reduce special compensation programs for crime victims and inmate injury
2. Reduce organized crime enforcement

State Police

1. Eliminate 65 percent of special anti-crime improvement
2. Elimiante 92 percent of criminal identification analysis package
3. Eliminate added criminal investigators

Transportation \$525,123

Public Transit Division

1. Reduce urban capital assistance for bus purchase match money for Tri Met, Salem, Lane and Medford

Special Governmental \$87,232

1. Reduce support for arrest and return of fugitives;
Council of State Governments; Inmate legal services;
Kidney Association of Oregon

Legislative Branch \$1,282,830

Impacts unknown

Judicial Branch \$6,705,764

State Courts

1. Reduce support for appellate courts, indigent defense and trial courts

Public Defender

1. Revert about 17 percent of trial appeal to counties

Miscellaneous \$59,460,000

1. Eliminate all salary adjustments
2. Reduce PTR to \$150 maximum payment

Legislature considering bills for the medically needy and ADC, which, if financed at the levels proposed, would cost an additional \$34.1 million in general fund revenues in 1983-85:

Medical needy proposal	\$17.7m
ADC unemployed	\$16.4m

176

11/11/55-74

6.4.87

2/88

Total Expected Shortfall = \$83 million

Personal Income Taxes \$ - 73 million

Interest Earnings \$ - 10 million

\$ - 83 million

Caused by higher interest rate, lower inflation, and virtually no recovery during the next 12 months:

1. 18,000 lower employment by the end of this biennium.
2. \$ 500 million less wages and salaries "
3. lower beginning cash fund for interest earnings.

DRI Forecast of the U.S. Economy

	<u>82:3</u>	<u>82:4</u>	<u>83:1</u>	<u>83:2</u>
GNP Growth Rate (%)				
4/26	3.7	4.0	3.0	4.0
6/26	2.2	3.3	2.1	3.1

CPI (%)				
4/26	5.2	6.0	6.9	6.8
6/26	7.6	6.2	8.0	6.5

Housing Starts (Mil. Units)				
4/26	1.167	1.304	1.335	1.368
6/26	1.070	1.181	1.181	1.316

Federal Deficit (Billion \$)	<u>1982</u>	<u>1983</u>		
4/26	142.3	129.5		
6/26	140.2	127.2		

Prime Rate (%)				
4/26	14.38	14.71	15.68	14.86
6/26	16.26	15.13	16.00	15.28

Nonagricultural Employment

	<u>82:2</u>	<u>82:3</u>	<u>82:4</u>	<u>83:1</u>	<u>83:2</u>
June Forecast	985	987	991	998	1,004
New	<u>975</u>	<u>974</u>	<u>977</u>	<u>981</u>	<u>986</u>
Diff.	-10	-13	-14	-17	-18

Year - to - year Changes in Oregon Nonfarm Employment (thousands)

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
1st Qtr.	+51.7	+76.6	+47.4	+32.2	-31.7	-44.5
2nd Qtr.	+54.7	+80.5	+44.7	-6.0	-17.0	-53.4
3rd Qtr.	+59.0	+70.9	+47.4	-36.2	-14.9	
4th Qtr.	+68.3	+61.3	+47.3	-35.7	-38.0	

Oregon Nonfarm Employment

(thousands)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
1st Qtr.	1,014.7	1,046.9	1,015.2	970.7
2nd Qtr.	1,052.9	1,046.9	1,029.9	976.5
3rd Qtr.	1,073.4	1,037.2	1,022.3	
4th Qtr.	1,082.7	1,047.0	1,009.0	

CPI

	<u>1/81 - 1/82</u>	<u>3/81 - 3/82</u>	<u>5/81 - 5/82</u>
Portland	8.3%	6.9%	1.3%
U.S. Avg.	8.4	6.8	6.7

Forecast of the U.S. Economy

82:3

82:4

83:1

83:2

GNP Growth Rate (%)

DRI	2.2	3.3	2.1	3.1
Wharton	4.6	3.1	3.3	4.5
Chase	4.0	4.5	3.7	3.5

Housing Starts (Million Units)

DRI	1.07	1.18	1.18	1.32
Wharton	1.04	1.14	1.26	1.33
Chase	1.02	1.11	1.22	1.32

Prime Rate (%)

DRI	16.3	15.1	16.0	15.3
Wharton	16.6	16.6	16.7	16.4
Chase	16.4	16.2	15.5	15.4

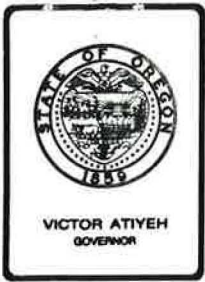
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	1/ June 1982	2/ May 1982	Change	% Change	5/ June 1981
Civilian Labor Force 3/	1,327,700	1,313,900	+13,800	+1.1	1,363,800
Unemployment	144,900	145,500	- 600	-0.4	127,500
Percent of Labor Force	10.9	11.1	xxx	xxx	9.3
Seasonally Adjusted Percent	11.0	11.1	xxx	xxx	9.5
Total Employment 4/	1,182,800	1,168,400	+14,400	+1.2	1,236,300

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, agriculture, and labor disputants. 5/ Due to revised estimating procedures between December 1980 and January 1981, data for 1981 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	June 1982	May 1982	June 1981	Change From	
				May 1982	June 1981
TOTAL 1/	982,900	974,900	1,039,600	8,000	-56,700
Wage & Salary Employment Index (Seasonally Adjusted)	125.2	126.0	132.4	xxx	xxx
Total Manufacturing	187,200	185,800	206,200	1,400	-19,000
Durable Goods	136,400	135,600	151,900	800	-15,500
Lumber & Wood Products	58,500	56,700	67,100	1,800	- 8,600
Logging & Sawmills	30,000	29,000	34,700	1,000	- 4,700
Veneer & Plywood	17,800	17,100	20,300	700	- 2,500
Millwork & Structural Wood	5,900	5,700	6,300	200	- 400
Mobile Homes	1,400	1,500	2,000	- 100	- 600
Other Wood Products	3,500	3,400	3,800	100	- 300
Furniture & Fixtures	1,800	2,000	2,600	- 200	- 800
Stone, Clay, Glass, & Concrete	3,900	3,800	4,000	100	- 100
Primary Metals	8,200	8,200	10,200	0	- 2,000
Blast Furnaces, Iron & Steel	4,400	4,500	5,800	- 100	- 1,400
Nonferrous Metals	3,800	3,700	4,400	100	- 600
Fabricated Metals	9,900	10,000	10,800	- 100	- 900
Fabricated Structural Metals	3,900	3,800	4,200	100	- 300
Other Fabricated Metals	6,000	6,200	6,600	- 200	- 600
Machinery	16,900	16,800	18,200	100	- 1,300
Electrical Equipment & Supplies	10,300	10,300	10,000	0	300
Transportation Equipment	7,600	8,400	8,100	- 800	- 500
Instruments & Related Products	17,000	17,000	18,400	0	- 1,400
Miscellaneous Manufacturing	2,300	2,400	2,500	- 100	- 200
Nondurable Goods	50,800	50,200	54,300	600	- 3,500
Food & Kindred Products	20,300	19,900	23,100	400	- 2,800
Canning & Preserving	10,100	9,700	12,700	400	- 2,600
Other Food Products	10,200	10,200	10,400	0	- 200
Textile Mill Products	1,900	1,900	1,800	0	100
Apparel	3,000	3,000	2,900	0	100
Paper & Allied Products	10,000	9,800	10,600	200	- 600
Printing & Publishing	10,300	10,200	10,300	100	0
Chemicals & Allied Products	2,200	2,200	2,300	0	- 100
Petroleum Refining	400	400	500	0	- 100
Rubber & Plastic Products	2,400	2,500	2,500	- 100	- 100
Leather Products	300	300	300	0	0



Oregon Department of Revenue

REVENUE BUILDING
955 CENTER STREET N.E.
SALEM, OREGON 97310

TAX BASE

FEB 02 1987
Governor Atiyeh

DEFINITION OF BASE

- a. Operating Levy *SEPARATE LEVIES/ROADS*
- b. Operating Budget
 - (1) Offset State Funds
 - (2) Offset Federal Funds
 - (3) Offset Other Local Taxes
 - (4) Offset Other (Federal Forest, O & C, etc.)
- c. Time Period
 - (1) Prior Year
 - (2) ~~Highest of last three years~~
 - (3) Average of Last three years

GROWTH FACTOR

- a. 6% per year
- b. 3% per year
- c. CPI + population
- d. No growth
- e. Other

TAX BASE - 2

UPDATE BASE

- a. Two times in even year (current constitution)
- b. Two times a year
- c. One time a year

DATE

- a. May/~~November~~
- b. Other

LEVY OUTSIDE BASE

- a. Yes
 - (1) Emergency only
 - ~~(2) Any purpose~~
 - ~~(3) Population change~~
 - ~~(4) Other~~
- b. No

TRIGGER

- ~~a. Two election defeats~~
- ~~b. Petition~~

LOCAL GOVERNMENT UNITS APPLIED

- a. City
- b. County
- c. School
- d. Community Colleges
- e. Special Districts
- f. All

TOTAL TO ALL EDUCATION

(PRIM./SEC. - HIGHER - COMM. COLL. & AID
TO INDEPENDENT)

$$= 384 \text{ M (TOTAL BUDGET } 713 \text{ M)} = 54\%$$

HIGHER EDUCATION (INCL. BLOBS.)

$$= 112,018,826$$

COMMUNITY COLLEGES

$$= 31,908,108$$

AID TO PRIVATE COLLEGES

$$= 750,000$$

$$= 204,736,934$$

$$\text{(TOTAL BUDGET } 712,918,610)$$

$$= 28.7\%$$

COST PER UNDERGRAD (@ 100-150-150)

$$= 1299 \text{ PER YR.}$$

RESIDENT TUITION (PLUS BLOB $\$30$ &
INCIDENTAL FEE $\$78$ @ $\$108$)

$$= 300$$

NON-RESIDENT

$$= 1299$$

	<u>'67-'69</u>	<u>'69-'71</u>
Social Services:		
Corrections	20.1	24.6
Mental Health	44.7	54.4
Welfare, etc.	54.9	91.1
Public Health	3.2	3.8
Public Safety	17.1	20.8
Education:	313.0	400.3
Basic School Support	155.2	177.9
Comm. College, Oper.	16.7	25.1
Comm. College, Constr.	10.0	6.8
Model Schools	1.2	2.0
Private College Students	-0-	.75
Hi. Education, Oper.	124.7	159.8
Hi. Education, Constr., etc.	13.9	12.3
Natural Resources	14.9	14.5
Prop. Tax Relief (Direct)	32.5	26.7
Other	<u>57.4</u>	<u>60.3</u>
	570.7	712.9