

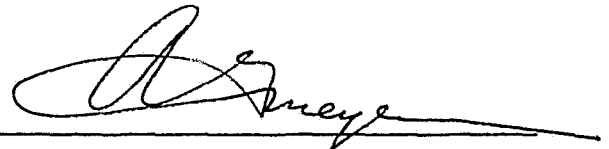
RESOLUTION NO. 588

A RESOLUTION RECOMMENDING THE CITIZENS OF THE CITY OF WILSONVILLE VOTE "NO" ON BALLOT MEASURES 9, 11 AND 12.

WHEREAS, the City of Wilsonville has received letters from the Governor of the State of Oregon, which are attached as Exhibits "A", "B", and "C", proposing that the city take a stand of "No" on Ballot Measures 9, 11 and 12.

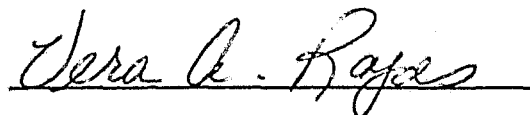
NOW, THEREFORE, IT IS HEREBY RESOLVED that the City of Wilsonville recommends to its citizenry that it recommends taking the position of "No" on Ballot Measures 9, 11 and 12.

ADOPTED by the City Council of the City of Wilsonville at a special meeting thereof this 20th day of October, 1986, and filed with the Wilsonville City Recorder this same date.



A. G. MEYER, Mayor

ATTEST:



VERA A. ROJAS, City Recorder

# NO on 9, 11 and 12

707 13th Street SE Salem, Oregon 97301

370-7673 RECEIVED

OCT 16 1986

CITY OF WILSONVILLE

Governor Victor Atiyeh  
Honorary Chair

TO: Oregon Mayors, City Managers and City Recorders

Board Members:

FROM: Governor Vic Atiyeh  
Honorary Chair, 'NO on 9, 11 and 12'

Mary Botkin  
Oregon Chapter, American  
Federation of State, County  
and Municipal Employees

Gary Carlson  
Associated Oregon Industries

Alice Dale  
President  
Oregon Public  
Employees Union

Pat McCormick  
Oregon Council,  
American Electronics  
Association

R.L. "Ozzie" Rose  
Confederation of Oregon  
School Administrators

Tom Whelan  
Oregon State Fire  
Fighters Council

On November 4th Oregonians will vote on 16 ballot measures, including two that will seriously erode the funding for public service in our State. Ballot measure 9 will eliminate existing tax bases and set a \$15/1000 limit on property taxes. Ballot measure 11 will enact an unfunded homestead exemption, requiring the State to pay up to \$300 million a year to pay for it. Without a significant tax increase, the State will have no choice but to cut its expenditures by as much as 20%.

These two measures, as well as ballot measure 12, the income tax increase, will cripple our efforts to revitalize Oregon's economy.

I believe it is vital that Oregon voters understand the severe consequences of these three measures. And your help is essential. Here are some ways you can help:

- \*Your City Council can adopt a resolution opposing the measures.
- \*You can provide citizens and the media the facts about how the measures will affect local services. You can let them know what cuts you will have to make if the measures pass and what these cuts will mean in terms of services they receive.
- \*You can help make sure that city employees have factual information about the measures.

City officials have played a critical role in the past in defeating property tax limitation proposals. This time there is more than one threat -- and time is short. Please help.

Thank you.

P.S. Financial assistance is also needed to get this information out to voters. Your contribution to the 'NO on 9, 11 and 12' Committee at the above address will be put to good use.

**NO on 9, 11 and 12**

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OCT 16 1986  
CITY OF WILSONVILLEBALLOT MEASURE 9: A Constitutional  
Amendment Fixing Property Tax Rates at \$15  
per \$1000 of ValueMajor Provisions

Current Tax Bases: Measure 9 is a constitutional amendment which eliminates current local tax bases, including school tax bases, and locks in new property tax rates. It assigns to the State Legislature the responsibility for devising a system of uniform rates among taxing districts. Currently, voters determine property tax rates for each local government.

Tax Rates: For the 1987-88 tax year, property tax rates are set at \$20 per \$1000 of assessed value or last year's rate, whichever is lower. School districts and other local governments will lose an estimated \$400 million with no provision for replacement revenue. Revenues must be distributed to local governments in 1987-88 in the same proportion as they were received in 1986-87.

After 1987, tax rates will be set in the Constitution at \$15 per \$1000 of assessed value or last year's rate, whichever is lower. The expected revenue loss is over \$800 million per year, but Measure 9 does not specify how the loss will be divided. The Legislature must apportion the \$15 rate to each taxing jurisdiction.

Exemptions: The fixed tax rates do not apply to property taxes collected to repay bonded debt and existing non-operating serial levies.

Assessed Value: Assessed value of any taxable property may not increase by more than 2 percent per year.

Property that is sold, improved or constructed after 1987 will be assessed at its 1985 value plus the 2 percent per year adjustment.

Elections: Voters may approve higher tax rates in the May or November elections.

Probable Effects

- \* Measure 9 constitutionally sets property tax rates but makes no provisions for allocating the rates among local governments that raise property taxes. It will be up to the Legislature, not Oregon voters, to decide how the \$15 per \$1000 rate is divided among schools, counties, cities, and other special districts.

- \* The estimated annual revenue loss to schools, cities, counties and special districts under Measure 9 will be more than \$800 million per year when it is fully in effect. Measure 9 makes no provision for replacing these lost revenues. It will create turmoil for local governments and greatly increase instability in school finances.
- \* Local governments will attempt to maintain essential services by shifting to fees, fines, charges, and other taxes. Thus, the bottom-line financial impact of Measure 9 on individual taxpayers is impossible to determine.
- \* Measure 9 will create inequities among taxpayers. For example, renters are not given any tax relief.
- \* Businesses and landlords will receive more than one-half of the tax relief under Measure 9, and higher value property receives greater relief. Renters and middle-income taxpayers will finance tax relief for businesses and wealthy homeowners.
- \* The impact of the fixed rates will vary dramatically around the state. The Legislative Revenue Office has estimated that a few jurisdictions will suffer no revenue loss, while for others property tax receipts could fall 70 to 100 percent.

#### WHAT MEASURE 9 DOES NOT DO

- \* Measure 9 does not provide a stable funding base for local schools or solve the problem of school closures. In fact, it makes the problem worse. It eliminates all existing school district tax bases approved by voters over the last 70 years and cuts property tax revenues going to schools by 21 percent.
- \* Measure 9 does not reform Oregon's troubled property tax system. In fact, it freezes in place all the current inequities by locking in 1985-86 rates or the \$15/\$1000 rate statewide. Poor school districts would stay poor.
- \* Measure 9 does not protect current tax relief programs for senior citizens, moderate income homeowners and renters. If anything, the Legislature is likely to eliminate these helpful programs and spend the money to cushion the blow for local governments.
- \* Measure 9 does not make businesses pay their fair share of taxes. In fact, it will provide another huge tax windfall to business property owners, and leave homeowners and renters shouldering an even larger share of the property tax burden.

BALLOT MEASURE 9: QUESTIONS & ANSWERS

Q. WHAT DOES THIS BALLOT MEASURE DO?

- A. Measure 9 amends the Oregon Constitution to set property tax rates at \$15 per \$1,000 of property value. It would reduce local property tax proceeds by \$800 million with no replacement revenue. It repeals current property tax bases.

Q. HOW DOES THE MEASURE WORK?

- A. First, it says that property tax rates may be no more than 2 percent (\$20 per thousand of assessed value) or the rate levied in 1985-86, whichever is less, in the first year (1987-88). In the second year and thereafter, it says the rate may be no more than 1-1/2 percent (\$15 per thousand of assessed value). Exceptions to the tax rate are made for taxes or special assessments levied to repay bonded indebtedness and serial levies that exist on July 1, 1986, and extend beyond July 1, 1987.

Second, it sets assessment growth rates at 2 percent per year.

Third, it turns the decision on how property tax revenues are apportioned entirely over to the Legislature beginning with the second year. The measure says nothing about how the tax revenues will be apportioned among schools, fire districts, cities and counties. In the first year, taxes are distributed in the same portions as they are in 1986-87.

Fourth, voters may control local spending only at two elections per year held in May and November.

Q. WON'T THIS MEASURE GIVE MORE CONTROL TO THE LEGISLATURE IN SALEM?

- A. Absolutely. The Legislature will determine how much money each local government receives and the ballot measure gives them no guidance. The Legislature will determine for each county how much property tax revenue may go to fire districts, school districts, community colleges, cities and counties. Presently, Oregonians have direct control over how much of their property taxes go to schools, libraries, fire, cities and counties. Measure 9 requires the Legislature to make those decisions.

In addition, the Legislature would most likely try to provide some replacement for the \$1.2 billion loss Measure 9 would cause for local governments. The result would transfer much of the authority now vested in local governments' voters and governing bodies to the State legislature in Salem.

Q. WON'T ESSENTIAL SERVICES LIKE POLICE AND FIRE BE PROTECTED?

- A. No. Essential services such as police, fire and ambulance are not protected by Measure 9 nor is any minimum level of funding required for them.

**Q. HOW WILL MY TAXES BE AFFECTED?**

A. That is one of the basic uncertainties of this measure. In order to maintain basic services for the citizens, the Legislature may need to increase income taxes and add to the burden already carried by the middle-income wage earners. Local governments will be faced with increasing fees for water and sewer rates, libraries, bus fares, dog licenses, parking and license renewal in order to maintain basic services.

**Q. WHO BENEFITS FROM THIS MEASURE? WHO WILL BE HURT?**

A. Businesses receive most of the benefit from the measure because they currently pay most of the property tax. Owner-occupied residential property accounts for about 40 percent of the property value in Oregon. All other property accounts for about 60 percent. The major winners under this measure will be large property owners who won't be caught by the increased fees and charges local government will need to maintain basic services. The major losers will be those who do not own a lot of property -- the average homeowner -- and those with children in schools, those attending community colleges to improve their skills, those who ride the busses and others who use public services.

**Q. WHEN WOULD THE MEASURE GO INTO EFFECT?**

A. Different parts of it go into effect at different times. On December 4, 1986, the measure repeals the current property tax limitation in the State Constitution, but it does not set the new tax rate until July 1, 1987.

**Q. DOES THIS MEASURE SOLVE THE SCHOOL FINANCE PROBLEM? WILL IT PREVENT SCHOOL CLOSURES?**

A. Absolutely not. It does nothing except ensure chaos. It repeals rather than modernizes tax bases and Measure 9 reduces school property tax revenues by 21 percent. In addition, it makes schools compete at the Legislature with all other public services, such as police and fire protection.

**Q. IS THE MEASURE FAIR TO RENTERS?**

A. No. Measure 9 provides no relief to renters. Under Measure 9, landlords will receive substantial property tax reductions with no requirement that any portion of that relief be passed along to their renters.

**Q. COULD THE EFFECT OF THE MEASURE ON STATE BONDING PROGRAMS HURT ME?**

A. Yes. The State sells bonds to finance such things as veterans' home loans, more classrooms at our State colleges and universities, jails, reforestation and housing for the elderly and handicapped. The amount of the bonded indebtedness the State can incur is determined by the total property valuation in the State. Since Measure 9 set the amount of growth in that valuation, new construction for new citizens and businesses that want to move into the State would be curtailed. Passage of Measure 9 would bring chaos to the State's bonding authority and limit the State's ability to expand the public services a growth population and business community require.

**NO on 9, 11 and 12**

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OCT 16 1986

CITY OF WILSONVILLE

BALLOT MEASURE #11: A Constitutional Amendment Establishing a Homestead Exemption and "Equivalent" Renter Property Tax Relief

Major Provisions

Amends the Constitution to create an unfunded homestead property tax exemption.

**Homestead Exemption:** It exempts from property taxes one-half of the value of an owner-occupied home up to a maximum exemption of \$25,000. It takes effect with the 1987-88 tax year and is indexed annually by the rate of growth of residential property values. For a home currently valued at \$30,000, Measure 11 exempts \$15,000, leaving \$15,000 taxable. For a home valued at \$60,000, Measure 11 exempts \$25,000 (the maximum), leaving \$35,000 taxable.

**Renter Relief:** Requires the Legislature to provide "equivalent" renter relief.

**Local Government Compensation:** It requires the Legislature to reimburse local governments for at least 80 percent of the taxes that would have been paid on the property made exempt by Measure 11. Between 10 percent and 50 percent of lottery proceeds would have to be used for this purpose (or \$4 to \$20 million annually out of the total estimated property tax loss of \$330 million).

Probable Effects

- \* Measure 11 would cut property taxes on homes by at least \$252 million per year and require the State to replace this revenue plus provide "equivalent" renter relief. The result is a tax shift from local property taxes to State tax sources. The primary State tax is the personal income tax. Thus Measure 11 will shift taxes from property taxes to income taxes, which are paid primarily by middle-income families.
- \* Measure 11 would dramatically increase State control of local government and school revenues. At 80 percent funding, State aid to local units would increase by 45 percent over current levels.
- \* Measure 11 requires the Legislature to figure out how to fund property tax relief, but it ties the Legislature's hands. It constitutionally dedicates \$600 million of the biennial General Fund to local governments, thus making comprehensive tax reform virtually impossible. Because the exemption is tied to the growth of property values, the State's obligation will grow steadily over time.

- \* If the Legislature cannot find new revenue sources, it will have to cut State programs--remember, it will be constitutionally obligated to provide the 80 percent replacement revenue. A General Fund shift of \$600 million would endanger higher education, special education programs, Basic School Support, the Homeowners and Renters Relief Program (HARRP) property tax relief program, Senior Citizens Property Tax Deferral, human resources and economic development.
- \* Measure 11 will provide property tax cuts to owners of expensive homes at the expense of middle-income taxpayers. The Homestead Exemption is available to all homeowners, regardless of income, wealth, or need. The owner of a \$200,000 house will actually get a bigger property tax cut under Measure 11 than the owner of a house worth \$40,000. Middle income taxpayers will pay higher income taxes to fund this undeserved relief.
- \* Measure 11 will lead to a higher tax levy against all property that is not exempt. Only 80 percent of the local government and school revenue loss must be reimbursed by the State; the rest will be made up by an automatic "tax shift"--higher rates on nonexempt property. If you own a \$50,000 home, \$25,000 of its value will be exempt. However, you will be subject to a higher tax rate than you are now on the remaining \$25,000. What the Homestead Exemption gives with one hand, it takes back in part with the other.

#### What Measure 11 Does Not Do:

It does not reform Oregon's chaotic property tax system. It is a quick fix that would be superimposed on top of all the other aspects of the system: the 6 percent growth limit, the special levy and tax base election requirements, assessment rollbacks, HARRP and so on. It is in no way integrated with these other aspects of the system.

It does not protect existing property tax relief. The program will cost \$300 million per year, and to fund it the Legislature may eliminate HARRP and the Senior Citizen Property Tax Deferral Program, and cut other local government aid programs that help to keep property taxes down, including, most importantly, Basic School Support.

#### In Sum, Measure 11:

- \* Will lead to higher State income taxes by shifting a major financial burden to the State General Fund.
- \* Increases State control in local revenue matters.
- \* Endangers State and local services.
- \* Further complicates an already too complicated property tax system.



BALLOT MEASURE 11: QUESTIONS & ANSWERS

Q. WHAT DOES THIS BALLOT MEASURE DO?

A. Measure 11 amends the Oregon Constitution to establish an unfunded homestead property tax exemption and to require the Legislature to determine how to pay at least 80 percent of the cost to local governments. It exempts from property taxes one-half of the value of residences up to a maximum exemption of \$25,000. The measure applies only to owner-occupied principal residences. Second homes and recreational homes do not qualify. The exemption takes effect with the 1987-88 tax year.

Q. HOW WOULD THE EXEMPTION BE PAID FOR?

A. Largely by the Legislature increasing income taxes. The exemption could cost income tax payers \$560 million more per biennium. The Oregon Legislature will have to increase taxes and cut some public services to meet its requirement to pay for the exemption. The cost of the exemption could increase personal and corporate income taxes by as much as 20 percent. The cost of the exemption exceeds the total estimated General Fund expenditure for every State program except those of the Department of Education and the Department of Human Resources.

Q. WON'T THIS MEASURE GIVE MORE CONTROL TO THE LEGISLATURE IN SALEM?

A. Yes, it will. This measure requires the Legislature to pay much more to support local government services -- 45 percent more! The Legislature will insist on -- by law -- a much greater voice in setting local policy for the cities, counties and school districts that are spending taxes raised by the Legislature. Presently, Oregonians have direct control over their local property taxes. Measure 11 represents a massive tax shift onto the State income tax set by the Legislature -- not by the voters.

Q. ISN'T MEASURE 11 AT LEAST A COMPREHENSIVE REFORM OF OUR PROPERTY TAX SYSTEM, WHICH EVERYONE AGREES IS IN NEED OF A MAJOR OVERHAUL?

A. Not at all. Measure 11 does nothing to reform the existing system. It merely superimposes a new property tax control mechanism on top of all the existing ones: the 6 percent limit on tax base growth, the special levy elections, the assessment rollbacks, HARRP. It is a quick fix (and a bad one at that), not real reform.

Q. HOW WILL STATE TAXES BE AFFECTED?

- A. They will be increased -- dramatically. The measure calls for the State to make up at least 80 percent of the revenue lost to local governments because of the exemption. For 80 percent funding, plus equivalent renter relief, the Legislature would pay a net of \$277 million a year to local governments. As one example, Ballot Measure 12, also on the November 4 ballot, would raise this amount of money by raising the top personal income tax rate by 50 percent -- from 10 percent to 15 percent, and that top rate would apply to single returns with taxable income of just \$11,000, and to joint returns with a total income of just \$22,000. At 100 percent, the State would need to raise \$373 million a year requiring an even larger tax hike. Thus, it is impossible to say who wins or loses. Odds are, that middle-income taxpayers will pay for Measure 11.

Q. WILL FEES AND LICENSES BE AFFECTED IF THIS MEASURE PASSES?

- A. Yes. Increases would be inevitable as the State struggles to meet its obligation to fund the Homestead Exemption. State university tuition would rise. Hunting and fishing licenses would cost more. Driver's licenses and auto tags would cost more. And, since local governments would lose some of their revenue, fees for local services would appear where none existed before. Homeowners would see new or increased fees for fire protection, flood control, sewers, bus fares, water rates, library fees, animal license fees, paramedic or ambulance fees, admission taxes and trash collection and dumping.

Q. HOW DOES THIS MEASURE AFFECT ECONOMIC DEVELOPMENT?

- A. Existing businesses seeking to expand or new businesses wishing to locate in Oregon want and expect quality government services for themselves and their employees. They need good police and fire protection, well-maintained streets and roads, adequate health services and, above all, good schools. As the quality of our State colleges and universities is reduced, many businesses -- especially those in high technology -- will choose to locate in states that give more support to education at all levels.

Q. WHAT PUBLIC SERVICES WILL BE AFFECTED MOST?

- A. Principally education. If the Legislature cannot find new revenue to fund Measure 11, it will have to cut nearly \$600 million per biennium. Since one-half of the State's General Fund budget goes to education, the cuts will come from the State's universities and colleges, local elementary and secondary schools and community colleges. As aid to schools is reduced, class sizes will increase and course offerings will be reduced. Universities and colleges will be faced with reducing course offerings and may in some instances need to eliminate schools or departments. Tuition will have to be increased simply to maintain the core curriculum. The State's schools for the blind and the deaf could be consolidated or closed.

Q. WHAT OTHER PUBLIC SERVICES WILL BE HURT?

- A. State aid to Oregon's county jails may be cut at a time when many jails are overcrowded and releasing prisoners. Local home health care and alcohol and drug abuse programs funded by the State may need to be reduced. Medical services to needy Oregon families, nursing home and community care for elderly Oregonians will be reduced.

In short, the proponents of Measure 11 have completely failed to realize that the dozens of programs that provide State aid to local governments also help to keep property taxes down. Measure 11 does not protect these programs. If the Legislature is forced to fund a massive new local aid program, these programs will be likely targets for cuts.

Q. AREN'T PROPERTY TAXES TOO HIGH?

- A. Oregon is moderate in terms of the total State and local taxes citizens pay. We rank 21st among the 50 states and the District of Columbia. Our total State and local tax bill is below the national average and below Washington (14th), California (12th) and Nevada (18th). But, Oregon has only two principal State and local taxes -- the income tax and the property tax. Since we have no sales tax, the rates of the remaining two are higher than they are in states with three tax systems. If Measure 11 passes, the Legislature will increase our income tax even more, possibly giving Oregon the highest income tax rate in the nation. Currently, Oregon income tax is ranked 5th as a percentage of personal income. Oregon needs comprehensive tax reform and a new system of school finance, not merely a shift from one tax to another.

Q. WHAT DOES IT MEAN TO BE IN THE CONSTITUTION?

- A. Measure 11 is a Constitutional amendment. If it is approved by the voters November 4, it will become a permanent part of the Oregon Constitution and can only be changed by a statewide vote of the people. Oregon's Constitution is clear that any amendments to it must be submitted to a statewide vote of the people. Changing the Constitution should be approached with caution because there may be unintended effects that would be very difficult to recall.

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**NO on 9, 11 and 12**

707 13th Street SE

Salem, Oregon 97301

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OCT 16 1986

CITY OF WILSONVILLE

**BALLOT MEASURE 12:  
A Statutory Increase in Income Taxes  
to Fund Measure 11, the Homestead Exemption**

Major Provisions:

**Rates:** Changes personal income tax rates and brackets. Reduces the tax rate for the lowest income bracket from 4 percent to zero. Increases the highest rate from 10 percent to 15 percent for individuals with more than \$11,000 of taxable income and for married couples with more than \$22,000 of taxable income.

**Federal Tax Deduction:** Reduces the amount of federal income taxes that can be deducted in calculating State income taxes. Current law limits this deduction to \$7,000. Measure 12 reduces the limit to \$5,000, resulting in higher income taxes for taxpayers who pay more than \$5,000 in federal taxes.

**Corporate Rates:** Replaces the current flat 7.5 percent corporate tax rate with graduated rates. The lowest bracket rate would be 5.5 percent and the top rate would increase to 10.5 percent.

**Business Depreciation:** Repeals the use of ACRS, the accelerated depreciation method businesses use to write off plant and equipment. Eliminating accelerated depreciation reduces depreciation expenses and increases taxable income.

**Use of Additional Revenue:** Dedicates additional revenues raised by this Measure to an unspecified system of "homeowner and renter property tax relief."

PROBABLE EFFECTS

- \* Measure 12 would boost State personal income taxes by \$255 million per year.
- \* Measure 12 would give Oregon the highest state income taxes in the country, ahead even of New York.
- \* Measure 12 would increase income taxes on thousands of middle-income Oregonians. The top bracket rate would increase by 50 percent for individuals at only \$11,000 of taxable income and for married couples at only \$22,000.
- \* Measure 12 would raise corporate income taxes by \$38 million per year.

WHAT MEASURE 12 DOES NOT DO

- \* Measure 12 does not mesh with the major changes that will be made in Oregon's income tax by passage of the federal income tax reform bill. While most states will be adopting a new depreciation system contained in the federal law, for example, Measure 12 would send Oregon back to the one it had in 1980.
- \* Measure 12 does not provide meaningful income tax relief. Even for those families who get some relief under Measure 12, the amounts are trivial. A married couple at the \$17,500 income level would save a mere \$17 per year on their income taxes, less than \$1.50 a month.
- \* Measure 12 does not protect even its meager "relief" from tampering. Measure 12 changes only the law, not the constitution. The Legislature would be free to change it right back, and could decide to eliminate income tax relief entirely or give it only to those with the very lowest incomes.

BALLOT MEASURE 12: QUESTIONS AND ANSWERS

Q. WHAT WOULD MEASURE 12 DO?

A. Measure 12 would increase personal income taxes by \$255 million annually. It would impose a much smaller, \$38 million, tax increase on businesses as well. Thousands of middle-income Oregonians would pay higher income taxes.

Q. HOW WILL MY TAXES BE AFFECTED?

A. If you are single and have more than \$11,000 in taxable income, your taxes will go up. You will be in the highest rate bracket, paying at 15 percent. Measure 12 actually increases this top rate by 50 percent.

If you are married and have more than \$22,000 in taxable income, your taxes will go up, too.

Q. WHAT IF WE MAKE LESS THAN THESE AMOUNTS? WON'T MEASURE 12 GIVE US A BIG INCOME TAX BREAK?

A. Well, it's up to you to decide what "big" means. Families and single people making less than these amounts will get income tax cuts under Measure 12, but for most of them the amounts will be trivial. A married couple at \$17,500 of taxable income, for example, would save only \$17 in taxes per year. That's less than \$1.50 a month.

Q. ISN'T A LITTLE INCOME TAX RELIEF BETTER THAN NONE?

A. It might be, if you had a guarantee it would last. But Measure 12 changes only the law, not the constitution. The Legislature would be free to change it right back, eliminating relief entirely or giving it only to those with the very lowest incomes.

Q. HOW DOES MEASURE 12 RELATE TO THE FEDERAL TAX BILL THAT THE CONGRESS JUST PASSED?

A. It doesn't mesh at all, and that's one of its biggest shortcomings. The federal tax bill will make big tax changes in Oregon's income tax system because we use many of the same provisions and definitions. But Measure 12 pretends that none of these changes are coming. For example, Measure 12 would return us to the business "depreciation" (equipment

write-off) system we had in 1980. It ignores entirely that a new system will soon go into effect and that nearly every other state will be adopting it.

In its principal features, Measure 12 runs directly counter to what is being done with federal taxes. Measure 12 relies mainly on higher tax rates to raise revenues, while the federal bill lowers rates and relies mainly on closing loopholes to raise revenues. We should not make any major changes in Oregon's tax system until the dust settles and we know what the federal tax bill will do to us.

Q. DOESN'T MEASURE 12 AT LEAST FUND PROPERTY TAX RELIEF FOR LOW AND MIDDLE-INCOME HOMEOWNERS AND RENTERS?

A. Revenues raised under Measure 12 are dedicated to property tax relief, but Measure 12 says absolutely nothing about which homeowners and renters are entitled to it or how much they'll receive. That will be up to the Legislature to decide. Measure 12 is intended by its sponsors to help fund the Homestead Exemption in Measure 11. But Measure 11 gives a property tax cut to all homeowners, regardless of income, wealth or need.

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