voters' pamphlet





OREGON VOTE BY MAIL SPECIAL ELECTION, SEPTEMBER 17, 2002

Compiled and Distributed by

Oregon Secretary of State

This Voters' Pamphlet is provided for assistance in casting your vote by mail ballot.

BILL BRADBURY

SECRETARY OF STATE

PADDY J. McGUIRE DEPUTY SECRETARY OF STATE



STATE OF OREGON
SECRETARY OF STATE
136 STATE CAPITOL
SALEM, OREGON 97310-0722
(503) 986-1523

Dear Oregonian,

The right to vote is one of the fundamental rights and freedoms that make American democracy so special. In the past year, we have all seen how important civic participation is to our country's strength – and voting is one of the best ways you can be involved in your government.

Each and every election provides you with a significant opportunity to fulfill your civic duty and take part in making the decisions that will affect the future of your community, state and nation. I hope you will make the most of that opportunity and exercise your precious right to vote on September 17.

Because the Voters' Pamphlet is sent to every residence in Oregon (not just to every registered voter), some of you reading this may not yet be registered to vote. August 27 is the deadline to register in order to be eligible to vote in the September election.

There are only a few days left, but you still have time. And what's more, it's easy to register to vote – so don't put it off! Do it today!

Check out the Oregon Votes web site at www.oregonvotes.org to print a voter registration form, or go to your local county elections office. Even if you don't make it by August 27, you have until October 15 to register to vote in time for the November 5 General Election.

For those of you who are already registered to vote, I urge you to send in your ballot so that it is received by September 17. Remember: the decisions you help make with your ballot will affect all of our lives and the future of our state.

As Franklin'D. Roosevelt once observed, "nobody will ever deprive the American people of the right to vote except the American people themselves – and the only way they could do that is by not voting." I urge you to protect your rights and uphold your freedoms by voting in this and every election.

Best wishes.

Bill Bradbury

Oregon Secretary of State

On the cover: Crater Lake was dedicated as a national park May 22, 1902, and its centennial celebration occurs August 24-26 at the park. One of the world's deepest, purest, clearest and most pristine lakes, Crater Lake serves as an inspiration to all visitors. As former park Chief Naturalist Ron Warfield says, "This blue of silence draws us into its spell and forever changes the way we view ourselves." Historic photo courtesy of the Oregon State Archives, Salem.

Information

GENERAL

Your official 2002 September Special Election Voters' Pamphlet provides you with information about two statewide measures referred by the legislature. Additionally, you can find information about vote by mail and voter registration, as well as contact information for county elections officials across the state.

For each of the two measures in this voters' pamphlet, you will find the ballot title, estimate of financial impact, the complete text of the proposed measure, an impartial statement explaining the measure and any arguments filed by proponents and opponents of the measure. The ballot title, estimate of financial impact and explanatory statement for each referral was written by the legislature.

Citizens or organizations may file arguments in favor of, or in opposition to, measures by purchasing space for \$500 or by submitting a petition signed by 1,000 voters. Arguments in favor of a measure appear first, followed by arguments in opposition to the measure, and are printed in the order in which they are filed with the Secretary of State's Office. Measure arguments are printed as submitted by the author. The state does not correct punctuation, grammar, syntax errors or inaccurate information. The only changes made are attempts to correct spelling errors if the word as originally submitted is not in the dictionary.

The state measures were referred to Oregon voters by the legislature and you will find a "Legislative Argument in Support" for each of these measures. Oregon law allows the legislature to submit, at no cost, an argument in support of each measure it refers to the people.

The Voters' Pamphlet has been compiled by the Secretary of State since 1903, when Oregon became one of the first states to provide for the printing and distribution of such a publication. One copy of the Voters' Pamphlet is mailed to every household in the state. Additional copies are available at the State Capitol, local post offices, courthouses and all county elections offices.

WEBSITE

Most of the information contained in this Voters' Pamphlet is also available in the Online Voters' Guide on the World Wide Web at http://www.sos.state.or.us/elections/sep172002/sep172002.htm

IMPORTANT:

Your voted ballot must be returned (postmarks do not count) to your county elections office by election day, Tuesday, September 17, 2002

County Elections Offices are open on election day from 7 a.m. to 8 p.m.

VOTER REGISTRATION

Who May Register To Vote

You may register to vote for the September 17, 2002, Special Election if:

- 1. You are a citizen of the United States:
- 2. You will be at least 18 years old by September 17, 2002; and
- 3. You are a resident of Oregon.

How To Register To Vote

To register to vote in the September 17, 2002, election, your completed voter registration card must be either:

- · Postmarked by August 27, 2002;
- · Delivered to a county elections office by August 27, 2002; or
- Delivered to any voter registration agency (e.g., DMV) by August 27, 2002.

If Your Name, Mailing Address or Political Party Affiliation Has Changed

If you are currently registered to vote in Oregon but your name, mailing address or party affiliation has changed since you last completed a voter registration card, complete a new voter registration card and mail it to your county elections office.

If Your Residence Address Has Changed

If you are currently registered to vote in Oregon but your residence address has changed since you last completed a voter registration card, complete a new voter registration card and mail it to your county elections office.

If you notify your county elections office of your change of residence address after August 27, 2002, you must request that a ballot be mailed to you or go to your county elections office to get your ballot.

Where to Obtain a Voter Registration Card

Voter registration cards can be obtained from the Secretary of State's Office, any county elections office, many state agencies, most banks and post offices, and are also in some telephone books. It is also available on-line at the Secretary of State's web page at http://www.sos.state.or.us/elections/other.info/vreg.htm

Request for Voter Registration Card

(Please Print)

| Address: | | | |
|----------|---|--|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | quested: | | |
| MAIL 10: | Office of the Secretary of State Elections Division | | |

141 State Capitol Salem, OR 97310-0722

Name:

House Joint Resolution 80—Referred to the Electorate of Oregon by the Legislative Assembly of the 2002 Third Special Session to be voted on at the Special Election, September 17, 2002

BALLOT TITLE

19

AMENDS CONSTITUTION: AUTHORIZES USING EDUCATION STABILITY FUND PRINCIPAL IN SPECIFIED CIRCUMSTANCES; TRANSFERS \$150 MILLION TO STATE SCHOOL FUND; CREATES SCHOOL CAPITAL MATCHING SUBACCOUNT IN STABILITY FUND.

RESULT OF "YES" VOTE: "Yes" vote converts education endowment fund to stability fund; specifies conditions for using fund principal; transfers \$150 million from fund to State School Fund; creates school capital matching subaccount in stability fund.

RESULT OF "NO" VOTE: "No" vote rejects: converting education endowment fund to education stability fund; using fund principal under certain conditions; transferring \$150 million from fund to State School Fund; creating school capital matching subaccount in stability fund.

SUMMARY: Amends Constitution. Under existing law, the state deposits a portion of state lottery proceeds into the education endowment fund; fund's earnings are used for public education; principal is retained in fund. Measure converts education endowment fund to education stability fund. Measure increases percentage of net proceeds from state lottery placed in education stability fund and limits amount in fund. Measure authorizes legislature to use any portion of education stability fund principal for public education if three-fifths of the members of each house of legislature approve, and either (1) legislature makes required finding as to decline in projected state revenue or in seasonally adjusted nonfarm employment, or (2) Governor declares emergency. On May 1, 2003, measure transfers \$150 million from stability fund to State School Fund to be used for kindergarten through grade 12 public education. Creates school capital matching subaccount in education stability fund.

ESTIMATE OF FINANCIAL IMPACT: The education stability fund will be reduced by \$150 million in May 2003. This amount will go into the State School Fund to be distributed to school districts at that time.

Growth in the balance of the education stability fund will be increased by an estimated \$10 million per year. There is a corresponding reduction of lottery funding for other programs, mainly the State School Fund and economic development.

Distribution of earnings on the education stability fund, for debt service on education bonds and for need-based college scholarships will be reduced by about \$7 million per year.

TEXT OF MEASURE

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. Section 4, Article XV of the Constitution of the State of Oregon, is amended to read:

Sec. 4. (1) Except as provided in subsections (2), (3), (4), [(5) and (6)] (10) and (11) of this section, lotteries and the sale of lottery tickets, for any purpose whatever, are prohibited, and the Legislative Assembly shall prevent the same by penal laws.

(2) The Legislative Assembly may provide for the establishment, operation, and regulation of raffles and the lottery

commonly known as bingo or lotto by charitable, fraternal, or religious organizations. As used in this section, charitable, fraternal or religious organization means such organizations or foundations as defined by law because of their charitable, fraternal, or religious purposes. The regulations shall define eligible organizations or foundations, and may prescribe the frequency of raffles, bingo or lotto, set a maximum monetary limit for prizes and require a statement of the odds on winning a prize. The Legislative Assembly shall vest the regulatory authority in any appropriate state agency.

(3) There is hereby created the State Lottery Commission which shall establish and operate a State Lottery. All proceeds from the State Lottery, including interest, but excluding costs of administration and payment of prizes, shall be used for any of the following purposes: creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitats.

(4)(a) The State Lottery Commission shall be comprised of five members appointed by the Governor and confirmed by the Senate who shall serve at the pleasure of the Governor. At least one of the Commissioners shall have a minimum of five years experience in law enforcement and at least one of the Commissioners shall be a certified public accountant. The Commission is empowered to promulgate rules related to the procedures of the Commission and the operation of the State Lottery. Such rules and any statutes enacted to further implement this article shall insure the integrity, security, honesty, and fairness of the Lottery. The Commission shall have such additional powers and duties as may be provided by law.

(b) The Governor shall appoint a Director subject to confirmation by the Senate who shall serve at the pleasure of the Governor. The Director shall be qualified by training and experience to direct the operations of a state-operated lottery. The Director shall be responsible for managing the affairs of the Commission. The Director may appoint and prescribe the duties of no more than four Assistant Directors as the Director deems necessary. One of the Assistant Directors shall be responsible for a security division to assure security, integrity, honesty, and fairness in the operations and administration of the State Lottery. To fulfill these responsibilities, the Assistant Director for security shall be qualified by training and experience, including at least five years of law enforcement experience, and knowledge and experience in computer security.

(c) The Director shall implement and operate a State Lottery pursuant to the rules, and under the guidance, of the Commission. The State Lottery may operate any game procedure authorized by the commission, except parimutuel racing, social games, and the games commonly known in Oregon as bingo or lotto, whereby prizes are distributed using any existing or future methods among adult persons who have paid for tickets or shares in that game; provided that, in lottery games utilizing computer terminals or other devices, no coins or currency shall ever be dispensed directly to players from such computer terminals or devices.

(d) There is hereby created within the General Fund the Oregon State Lottery Fund which is continuously appropriated for the purpose of administering and operating the Commission and the State Lottery. The State Lottery shall operate as a selfsupporting revenue-raising agency of state government and no appropriations, loans, or other transfers of state funds shall be made to it. The State Lottery shall pay all prizes and all of its expenses out of the revenues it receives from the sale of tickets or shares to the public and turnover the net proceeds therefrom to a fund to be established by the Legislative Assembly from which the Legislative Assembly shall make appropriations for the benefit of any of the following public purposes: creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitats. Effective July 1, 1997, 15% of the net proceeds from the State Lottery shall be deposited, from the fund created by the Legislative Assembly under this paragraph, in an education [endowment] stability fund.

Effective July 1, 2003, 18% of the net proceeds from the State Lottery shall be deposited, from the fund created by the Legislative Assembly under this paragraph, in an education stability fund. Earnings on moneys in the education [endowment stability fund shall be retained in the fund or expended for the public purpose of financing public education in Oregon as provided by law. [Moneys] Except as provided in subsections (6) and (8) of this section, moneys in the education [endowment] stability fund shall be invested as provided by law and shall not be subject to the limitations of section 6, Article XI of this Constitution. The Legislative Assembly may appropriate other moneys or revenue to the education [endowment] stability fund. The Legislative Assembly shall appropriate amounts sufficient to pay lottery bonds before appropriating the net proceeds from the State Lottery for any other purpose. At least 84% of the total annual revenues from the sale of all lottery tickets or shares shall be returned to the public in the form of prizes and net revenues benefiting the public purpose.

(5) Notwithstanding paragraph (d) of subsection (4) of this section, the amount in the education stability fund created under paragraph (d) of subsection (4) of this section may not exceed an amount that is equal to five percent of the amount that was accrued as revenues in the state's General Fund during the prior biennium. If the amount in the education stability fund exceeds five percent of the amount that was accrued as revenues in the state's General Fund during the prior biennium:

(a) Additional net proceeds from the State Lottery may not be deposited in the education stability fund until the amount in the education stability fund is reduced to less than five percent of the amount that was accrued as revenues in the state's General Fund during the prior biennium; and

(b) Fifteen percent of the net proceeds from the State Lottery shall be deposited into the school capital matching subaccount created under subsection (8) of this section.

(6) The Legislative Assembly may by law appropriate, allocate or transfer any portion of the principal of the education stability fund created under paragraph (d) of subsection (4) of this section for expenditure on public education if:

(a) The proposed appropriation, allocation or transfer is approved by three-fifths of the members serving in each house of the Legislative Assembly and the Legislative Assembly finds one of the following:

(A) That the last quarterly economic and revenue forecast for a biennium indicates that moneys available to the state's General Fund for the next biennium will be at least three percent less than appropriations from the state's General Fund for the current biennium;

(B) That there has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or

(C) That a quarterly economic and revenue forecast projects that revenues in the state's General Fund in the current biennium will be at least two percent below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based; or

(b) If the proposed appropriation, allocation or transfer is approved by three-fifths of the members serving in each house of the Legislative Assembly and the Governor declares an emergency.

(7) The Legislative Assembly may by law prescribe the procedures to be used and identify the persons required to make the forecasts described in subsection (6) of this section.

(8)(a) There is created a school capital matching subaccount within the education stability fund created under paragraph (d) of subsection (4) of this section.

(b) The Legislative Assembly may by law appropriate, allocate or transfer moneys or revenue to the school capital matching subaccount.

(c) To the extent funds are available, the Legislative

Assembly may appropriate, allocate or transfer moneys in the school capital matching subaccount and earnings on moneys in the subaccount for the purpose of providing state matching funds to school districts for capital costs incurred by the school districts.

(9) Notwithstanding paragraph (d) of subsection (4) of this section, on May 1, 2003, the State Treasurer shall transfer \$150 million from the education stability fund created under paragraph (d) of subsection (4) of this section to a fund created by law and known as the State School Fund. Moneys transferred under this subsection may be used in the manner provided by law for moneys in the State School Fund.

[(5)] (10) Effective July 1, 1999, 15% of the net proceeds from the State Lottery shall be deposited in a parks and natural resources fund created by the Legislative Assembly. Of the moneys in the parks and natural resources fund, 50% shall be distributed for the public purpose of financing the protection, repair, operation, and creation of state parks, ocean shore and public beach access areas, historic sites and recreation areas, and 50% shall be distributed for the public purpose of financing the restoration and protection of native salmonid populations, watersheds, fish and wildlife habitats and water quality in Oregon. The Legislative Assembly shall not limit expenditures from the parks and natural resources fund. The Legislative Assembly may appropriate other moneys or revenue to the parks and natural resources fund.

 $\cline{[6]}$ (11) Only one State Lottery operation shall be permitted in the State.

[(7)] (12) The Legislative Assembly has no power to authorize, and shall prohibit, casinos from operation in the State of Oregon.

<u>PARAGRAPH 2.</u> The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at a special election held throughout this state as provided in chapter 1, Oregon Laws 2002 (third special session) (Enrolled House Bill 4059).

NOTE: **Boldfaced** type indicates new language; [brackets and italic] type indicates deletions or comments.

EXPLANATORY STATEMENT

Ballot Measure 19 (House Joint Resolution 80) amends provisions of the Oregon Constitution relating to education.

The measure converts the education endowment fund into an education stability fund by changing the name of the fund and specifying conditions under which moneys may be appropriated from the principal of the fund.

Currently 15 percent of the net proceeds of the state lottery are deposited into the education endowment fund. The principal of the fund is invested as provided by law. The legislature may not expend the principal of the fund. Earnings on moneys in the fund may be expended on public education. Laws enacted by the legislature provide that the earnings shall be expended on repayment of bonds to finance kindergarten through grade 12 public education, on need-based scholarships for higher education students and on other public education purposes.

The measure directs that starting July 1, 2003, 18 percent of net proceeds of the state lottery will be placed in the education stability fund. The measure limits the amount in the fund to five percent of the state's General Fund.

The measure allows the legislature to expend the principal of the fund for public education if there is an economic downturn and the expenditure is approved by three-fifths of the members in each house of the legislature. The measure also allows the legislature to expend the principal of the fund for public education if the Governor declares an emergency and the expenditure is approved by three-fifths of the members serving in each house of the legislature.

The measure provides for a transfer on May 1, 2003, of \$150 million from the education stability fund to the State School Fund to be used for kindergarten through grade 12 public education.

The measure creates a school capital matching subaccount in the education stability fund. If education stability fund limitation is met, the measure directs 15 percent of net proceeds of state lottery revenues to school capital matching subaccount. Measure allows legislature to use moneys in subaccount to provide matching funds to school districts for capital costs incurred by the school districts.

(This impartial statement explaining the ballot measure was provided by the legislature of the 2002 Third Special Session.)

LEGISLATIVE ARGUMENT IN SUPPORT

PUT LOTTERY DOLLARS TO WORK FOR OREGON SCHOOLS

Ballot Measure 19 puts lottery dollars to work for schools in three important ways:

- It creates a permanent school stability fund that will be funded by lottery dollars.
- It transfers \$150 million from the stability fund this school year to help schools avoid drastic cuts in funding.
- It creates another fund, also from lottery dollars, to provide matching funds to school districts for capital costs.

Oregon is one of only three states without a budget stability fund. So when our economy slows in a recession, and revenues decline, we are faced with either raising taxes or cutting services. Neither option is easy, and both can make the recession worse, slowing our recovery.

Ballot Measure 19 creates a school stability fund from the existing Education Endowment Fund, which is already funded by lottery dollars.

In this current recession, Oregon schools face a shortfall of more than \$200 million. As a result, schools are facing closures, increased class sizes, program reductions, and other serious consequences.

That's why, in addition to creating a stability fund for the future, Measure 19 transfers from the stability fund \$150 million that our schools need now. Even with this transfer, the fund will still have \$98 million, and will grow to almost \$600 million in the next eight years, leaving money for future needs.

Measure 19 also caps the school stability fund at an amount equal to 5% of the prior biennium's General Fund revenues. Currently that amount would be \$506 million.

Once the stability fund cap has been reached, lottery dollars flowing into the fund would be shifted to another new fund to create a matching fund for school capital improvement costs. This will provide local schools with a state resource to help address costly capital expenses.

Put lottery dollars to work for Oregon schools.

VOTE YES FOR BALLOT MEASURE 19

Committee Members:

Appointed By:

Senator Charles Starr Representative Kurt Schrader Representative Lane Shetterly President of the Senate Speaker of the House Speaker of the House

(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)

ARGUMENT IN FAVOR

A Message from the Citizens Alliance for Responsible Education

BALLOT MEASURE 19: USING LOTTERY DOLLARS TO HELP SCHOOLS, CHILDREN AND OREGON

Ballot Measure 19 is a good idea for children and a good idea for schools. By converting Oregon's Education Endowment Fund into an Education Stability Fund, it uses lottery dollars to help schools in several ways:

HELPING SCHOOLS TODAY

Ballot Measure 19 uses lottery dollars to help address the immediate budget crisis for Oregon's schools. By creating an Education Stability Fund, Measure 19 will prevent \$150 million in cuts to Oregon's K-12 public schools in this school year. If Measure 19 fails, there is no other provision to prevent those*cuts.

HELPING SCHOOLS TOMORROW

The Education Stability Fund created by Measure 19 is not just here for this school year. The fund will be there to protect Oregon's public schools against future economic downturns as well. And Measure 19 leaves a responsible amount of money in the fund to help guard against future budget cuts.

HELPING LOCAL SCHOOL DISTRICTS BUILD FOR OUR FUTURE

Ballot Measure 19 also creates a mechanism to assist local school districts with their future capital needs. Whether it is helping fast-growing districts add classrooms, or helping **all school districts** renovate or replace old and crumbling facilities, Measure 19 offers long overdue state assistance for local schools and local taxpayers.

The bottom line: Measure 19 will help Oregon's schools in their current crisis by preventing \$150 million in cuts this year. It will be there for the future.

And it is a smart, responsible way to use lottery dollars to help our schools and our children.

VOTE YES ON BALLOT MEASURE 19

(This information furnished by Chuck Bennett, Citizens Alliance for Responsible Education.)

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

"The strongest organization of parents who fight for schools the Coalition for School Funding Now."

The Oregonian. May 17, 2002

An Urgent Message from The Coalition for School Funding Now

PLEASE VOTE YES ON BALLOT MEASURE 19

The Coalition for School Funding Now is an independent, non-partisan voice for Oregon's K-12 public schools. We are a grassroots statewide organization made up of parents, business leaders, community leaders, education advocates, students, teachers, school board members and concerned citizens who believe that each K-12 student in Oregon should have access to a high quality public education.

We advocate for our schools' immediate needs, and for long term solutions to Oregon's school funding problems. <u>Measure 19 is critical on both fronts.</u>

Measure 19 is something we need right now. It will prevent \$150 million in cuts to our schools this school year – cuts our schools and our kids cannot afford.

Measure 19 is a good idea for children and schools because it will help in the future. It continues to put lottery dollars into a stability fund to help protect schools and kids against future economic downturns.

Measure 19 is not the total solution to Oregon's school funding problems: there is still much more work to be done. But given the cuts facing our schools this year, the downturn in the economy and the need to make a good start, Measure 19 is a good idea that our schools and children urgently need.

PLEASE JOIN OREGON'S LEADING NON-PARTISAN CITIZEN ADVOCATES FOR SCHOOLS, AND VOTE YES ON MEASURE 19!

(This information furnished by Chris Coughlin, The Coalition for School Funding Now!)

ARGUMENT IN FAVOR

Teachers across Oregon say: We Urgently Need Measure 19!

We are classroom teachers from across Oregon. We teach children in ALL OUR communities: large cities, small towns and rural Oregon.

While the places we teach are very different, they all have some things in common:

- · Our schools are the heart of our communities...
- · Our schools are the key to our future.
- · Our schools urgently need Measure 19.

Without Measure 19, Oregon's K-12 public schools will suffer \$150 million in cuts right now. Here is what that could mean in our local schools:

Portland's share of the \$150 million in cuts is \$15,000,000, equivalent to 255 teaching positions.

North Clackamas' share of the \$150 in cuts is \$4,100,000 million, equivalent to 61 teaching positions.

Pendleton's share of the \$150 million in cuts is \$900,000, equivalent to 15 teaching positions.

Silver Falls' share of the \$150 million in cuts is \$985,000, equivalent to 16 teaching positions.

Hillsboro's share of the \$150 million in cuts is **\$5,000,000**, equivalent to **75** teaching positions.

Bend – LaPine's share of the \$150 million in cuts is \$3,500,000, equivalent to 60 teaching positions.

Bethel's share of the \$150 million in cuts is \$1,320,000, equivalent to 22 teaching positions.

By voting yes on Measure 15, you can use lottery dollars to protect our schools, and prevent these cuts.

PLEASE VOTE YES ON MEASURE 19: FOR OUR SCHOOLS, FOR OUR CHILDREN, FOR OUR FUTURE

Gail Wetherbee, Portland Public Schools, 6th Grade teacher at Whitaker Middle School

Karin Power, Pendleton School District, Special Education teacher

Joanne Chavez, Silver Falls School District, U.S. History teacher Carolyn Clontz, Bend-LaPine Public Schools

Jason Simpson, Bethel School District, Danebo Elementary School, 2nd and 3rd Grade teacher

(This information furnished by Gail Wetherbee, 6th grade teacher, Whitaker Middle School, Portland Public Schools.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

A Message from Oregon Business Leaders

Ballot Measure 19: Fiscally Responsible. Important for Oregon's Future.

As Oregon businesspeople, we care about Oregon's public schools. Good schools are critical for educating our future workforce. Good schools help make Oregon the wonderful place it is for all of us to live and raise our families.

We are gravely concerned about Oregon's school funding system. Because it depends so much on income taxes, which are volatile, it is not stable. And, unlike many states, Oregon has no reserve or "rainy day" fund that helps schools smooth out the revenue drops caused by economic slowdowns of the sort we face today.

That's why we believe a YES vote on Measure 19 is critical to Oregon's schools and Oregon's future.

Measure 19 creates an Education Stability Fund – just the kind of rainy day fund our schools have needed for a long time. It permits more flexible use of lottery dollars that have already been collected for schools, allowing us to respond better to urgent school needs. By passing Measure 19, we provide \$150 million of badly needed funding for schools this year. The measure also directs that a portion of future proceeds be used to build up the rainy day fund in order to address future shortfalls caused by economic downturns.

<u>But while the Educational Stability Fund is flexible, it is also responsible.</u> And Measure 19 provides safeguards so that the money can be used only when appropriate.

We care about schools, and we care about making smart, responsible business decisions. Measure 19 qualifies on both counts.

Ronald E. Timpe, Chairman & CEO, Standard Insurance Company

Ronald C. Parker, CEO of Hampton Affiliates

William D. Thorndike, Jr., President, Medford Fabrication Randall C. Papé, President & CEO, The Papé Group, Inc.

(This information furnished by Ron C. Parker, CEO, Hampton Affiliates.)

ARGUMENT IN FAVOR

OREGON'S EDUCATION ORGANIZATIONS URGE A YES VOTE ON BALLOT MEASURE 19

We are organizations whose missions are protecting and improving Oregon's public schools. We are made up of educators, citizens who volunteer as school board members and the people who make our schools work every day. Frankly, we don't agree on everything. In fact, this past May we disagreed on Measure 13.

But we all agree that Measure 19 is critical for our K-12 public schools today, and for the future. We have come together to urge our fellow Oregonians to vote YES.

PREVENTING \$150 MILLION IN CUTS TO OUR CHILDREN'S SCHOOLS THIS YEAR

The single most urgent reason that Measure 19 is important is that it will prevent \$150 million in cuts to Oregon's K-12 public schools this year. Those cuts will affect every Oregon school district, and Oregon's students will pay the price. If Measure 19 fails, there is no realistic way to stop the cuts.

HERE IS WHY MEASURE 19 IS DIFFERENT

Measure 19 may look similar to May's Measure 13. But it is different in several important ways:

- It leaves a responsible amount of money in the Education Stability Fund to guard against future economic downturns.
 Oregon's schools have needed a "rainy day fund" for a long time. Measure 19 finally gives us one.
- It creates a way for the state to help local school districts with their capital needs — another common sense idea that is long overdue.
- It uses lottery dollars to help schools in both the immediate crisis and in the long term.

THE PEOPLE WHO KNOW OREGON'S SCHOOLS URGE YOU TO VOTE YES ON BALLOT MEASURE 19!

Oregon School Boards Association

Ozzie Rose, Salem, Executive Director, Confederation of Oregon School Administrators

> President, Oregon Elementary School Principals Association

President, Oregon Association of Central Office Administrators

President, Oregon Association of Secondary School Administrators

(This information furnished by Ozzie Rose, Confederation of Oregon School Administrators.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

A Senior's Perspective on Measure 19

As a senior citizen, I don't have any children in school. But I do have grandchildren: five of them are depending on our public schools to prepare them for a competitive world. But whether or not we have grandchildren in schools, there are some very good reasons that seniors should be supporting Ballot Measure 19.

Good schools aren't just important to kids: they are important to the community we are all a part of. Good schools keep kids in class, out of trouble and prepare them to be good citizens. That means a better, safer and more prosperous community for all of

I attended excellent public schools. For me, and for so many of my friends, that experience made all the difference in the world. Many of us could have easily gone down the wrong path. We didn't, in large part because our local schools were good.

But right now, our schools are in trouble. Because of the state budget crisis, they face deep, damaging cuts. That is why Ballot Measure 19 is so important: it will use existing lottery money to prevent \$150 million in cuts to schools this year. And it will put money away for any future downturns. Using the lottery for schools is a good idea. In fact, it is what we should have been doing all along.

As I said, I have grandchildren in school. But even if I didn't, I would be voting enthusiastically for Ballot Measure 19. It's a good deal, and important to all of us. Please join me in voting YES on Measure 19.

Sincerely,

Katherine E. Coughlin

(This information furnished by Katherine E. Coughlin.)

ARGUMENT IN FAVOR

MAKE A PRUDENT INVESTMENT IN OUR SCHOOLS

As your State Treasurer, I am responsible for prudently managing your tax dollars and protecting the financial health of the state.

I am asking that you support Measure 19 to meet two critical financial needs in our state -- creating a Rainy Day Fund and funding our public schools. This measure is fiscally responsible and a good idea.

Most important, Measure 19 is an opportunity to help schools now and to protect schools from economic downturns in the future.

RAINY DAY FUND FOR HARD ECONOMIC TIMES

Measure 19 creates a much-needed financial tool for schools. The measure creates a Rainy Day Fund to protect schools from drastic cuts during an economic recession.

The Rainy Day Fund will be funded by lottery dollars and can only be used when the State is in a recession or when the Governor declares an emergency.

Oregon has needed a Rainy Day Fund for schools for a long time. It's time to create one.

SAVING TAXPAYERS MONEY

Measure 19 will also save millions of tax dollars in the future. It will strengthen the State's bond rating, which will lower interest costs for the State and to local school districts.

HELPING LOCAL SCHOOLS NOW

Passage of Measure 19 is critical to funding neighborhood schools for this school year. Schools across Oregon have been hurt by the recession:

- · Class sizes are up.
- · The school year has been shortened by some districts.
- Educational programs have been cut.

Approval of this measure will prudently invest lottery dollars to prevent more cuts this year.

Please support Measure 19. It makes good financial sense – and our schools need your help.

Randall Edwards Oregon State Treasurer

(This information furnished by State Treasurer Randall Edwards.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

Legislative Leaders of BOTH Parties Support Measure 19

We are Republicans and Democrats. But there are times that partisan politics must give way to what is best for Oregon. That is why we have joined together to urge our fellow Oregonians to vote Yes on Ballot Measure 19.

Due to the downturn in the economy, Oregon faces a serious budget shortfall. Through three special sessions, the legislature has tried to find ways to bridge a gap that has totaled \$1.4 billion. Frankly we have differed on how to do that.

But one thing that we agree on is the importance of passing Measure 19 to help protect our schools today and tomorrow.

We disagreed on Measure 13, which Oregonians voted on last May. But this measure is different in some important ways. Based on the comments of Oregon voters, Measure 19 looks to both the immediate and longer term needs of Oregon's schools, communities and kids.

- It uses lottery dollars to help schools today, by preventing \$150
 million in cuts in this school year cuts that would affect every
 one of Oregon's 198 local school districts.
- It keeps a responsible amount of money in the new Education Stability Fund for future economic downturns.
- It provides a way for the state to help local school districts with their urgent capital needs.

In normal times, Measure 19 would be good public policy — a good idea for schools and children. Today, it is more than a good idea. It is critical. That is why we are reaching across party lines to urge our fellow Oregonians to vote Yes on Measure 19.

Senator Dave Nelson, Republican, Senate Majority Leader Kate Brown, Democrat, Senate Minority Leader Karen Minnis, Republican, House Majority Leader Deborah Kafoury, Democrat, House Minority Leader

(This information furnished by Kate Brown.)

ARGUMENT IN FAVOR

OREGON BUSINESS ASSOCIATION SUPPORTS BALLOT MEASURE 19

"If you think the cost of education is steep, take a look at the cost of ignorance."

The strength of Oregon's economy – today and tomorrow -hinges on the quality of life available to all who live here. We place education at the top of that list.

As Oregonians, we can work for low taxes, good roads, business opportunities, and a beautiful environment...but without a strong public education system, our future will falter.

Because we know this to be true, the OREGON BUSINESS ASSOCIATION SUPPORTS THE PASSAGE OF BALLOT MEASURE 19.

Measure 19 will return critically needed dollars to our schools and establish a "rainy day fund" to sustain our children's education in the event of a severe economic downturn.

- In business, you protect your most valuable asset. In Oregon, that asset is our children and the education system that prepares them to be productive, successful citizens.
- In business, you look to both the short term and the long term.
 Ballot Measure 19 uses lottery dollars for immediate funding and makes provision for schools in the future.

Education in Oregon faces many challenges, and Measure 19 does not pretend to solve all of them. But it is a responsible first step and we urge you to support it.

OUR FUTURE AND OUR ECONOMY DEPEND ON IT.

PLEASE...VOTE YES ON MEASURE 19.

Tom Kelly, Chairman of the Board Oregon Business Association

Lynn Lundquist, President Oregon Business Association

The Oregon Business Association – A Balanced Voice for Oregon Business

(This information furnished by Tom Kelly, Lynn Lundquist, Oregon Business Association.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

A PERSONAL MESSAGE IN SUPPORT OF MEASURE 19

I am a legislator and the father of two children in Oregon's public schools.

As a legislator, I support Ballot Measure 19 because it would establish a budget stability fund for schools that will serve the children of the state for generations to come.

Oregon is one of only three states in the nation without a budget stability fund. Measure 19 uses lottery dollars to create a fund that will be there for our schools in times of economic downturn in the years ahead.

As a father, I support Measure 19 because it provides funding now that will serve my children and the public school children of the state today.

The money that Measure 19 would transfer to schools during this school year will help restore school budgets and programs that are facing unacceptable cuts. It will protect schools from increased class sizes, reduced learning opportunities, and layoffs of caring and committed teachers.

And Measure 19 would create a matching fund that schools around the state will be able to draw on in years to come to help with the cost of needed capital improvements. That is good for kids and communities.

As a taxpayer, I support Measure 19 because it uses exclusively lottery dollars. It will not raise taxes. It is a wise use of an existing resource to help our schools both now and in the future.

Please join me, a legislator and parent who cares deeply about our schools, in supporting Measure 19.

Measure 19 is good for kids and good for Oregon.

VOTE YES FOR MEASURE 19

Rep. Lane Shetterly

(This information furnished by Rep. Lane Shetterly.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN OPPOSITION

"And ye shall know the truth and the truth shall make you free." (John 8:30)

Measure 19 is the "Son of Measure 13" which voters CLEARLY REJECTED last May! The Legislature's majority was then asking voters to amend the Oregon Constitution to give them a green light to take a \$220 million "bite" out of the otherwise constitutionally-protected Educational Endowment Fund "apple".

This September the Legislature is again asking for a green lightthis time to appropriate \$150 million from the Educational Endowment Fund.

This fund was established to help poor Oregonians attend Oregon public and private colleges and universities. Raiding this fund, even at the \$150 million level, means over 7,000 poor student can't afford higher education.

Measure 19, like Measure 13, is one of those "creative accounting" gimmicks that is game playing, deceptive and self-dealing. In a recent *Oregonian* article, Governor Kitzhaber is quoted as

Blasting a "mediocre" Legislature for producing a budget rebalancing plan whose components "make the kind of accounting we saw at Enron and WorldCom look simple". (7/10/2002)

Voters on September 17th should again join Governor Kitzhaber in telling the Legislature's majority they don't want any Enron-type "new economy" accounting measures being proposed in Salem. As Governor Kitzhaber wrote in the Official 2002 Primary Election Voters' Pamphlet,

If you care about the quality of our schools, VOTE NO on Ballot Measure 13. Let the legislature know that our children deserve permanent funding for their education-not short term "fixes" which simply create a bigger problem in the future.

The Oregonian recently reported that Governor "Kitzhaber opposes" Measure 19. (7/10/2002) Don't be fooled by its fancy wrappers: "Rainy-day school fund", "Education Stability Fund".

Walter F. (Walt) Brown

Commander JAG Corps, USN (1944-70)

WWII, Korean Conflict, Vietnam War veteran

Associate Professor of Law, Lewis and Clark College (1970-80) Oregon State Senator (1975-87) (Chair, Agriculture & Forestry Committee (1974))

Malheur County Counsel & Deputy District Attorney (1989-91) General Counsel, Oregon Consumer League (1991-date)

(This information furnished by Walter F. (Walt) Brown, Volunteer Attorney, Consumer Justice Alliance.)

(This space purchased for \$500 in accordance with ORS 251.255.)

House Bill 4051—Referred to the Electorate of Oregon by the Legislative Assembly of the 2002 Third Special Session to be voted on at the Special Election, September 17, 2002

BALLOT TITLE

20 INCREASES CIGARETTE TAX; USES REVENUE FOR HEALTH PLAN, OTHER PROGRAMS.

RESULT OF "YES" VOTE: "Yes" vote increases cigarette tax; funds Oregon Health Plan and other programs.

RESULT OF "No" VOTE: "No" vote keeps cigarette tax at current level; does not increase Oregon Health Plan or other program funding.

SUMMARY: This measure increases the tax imposed on the distribution of cigarettes by 60 cents per 20-cigarette pack. Current law imposes a cigarette tax of 68 cents per 20-cigarette pack, that is paid by wholesale distributors of cigarettes. This measure would apply the cigarette tax increase to cigarettes distributed on or after November 1, 2002, and to existing retail cigarette inventories when the tax starts. This measure requires \$2 million and an additional 0.7 percent of revenue raised by the cigarette tax increase to be spent on tobacco use reduction programs. Cities, counties and elderly and disabled transportation receive 1.4 percent of the additional tax revenue. All remaining revenue raised by the increase is to be spent on the Oregon Health Plan.

ESTIMATE OF FINANCIAL IMPACT: This measure increases cigarette tax revenues by \$70.7 million for the 2001-2003 biennium and will raise \$113.9 million in cigarette tax revenues for each year thereafter. Because higher cigarette prices will cause a reduction in consumption, the measure will reduce General Fund revenues by \$3.1 million for the 2001-2003 biennium and by \$6.2 million annually thereafter.

The net expenditures required by this measure are estimated to be as follows:

| Expenditure | | 2001-2003 |) Ai | nually | after |
|-----------------|-----------|---------------|--------|-----------|---------|
| | | biennium | | ıly 1, 20 | |
| | | Diominan | u. | ., ., | ~~ |
| Oregon Health | Plan | .\$67.3 milli | on \$1 | 11.65 r | nillion |
| C. 190 | | | • | | |
| Tobacco Use F | Reduction | \$2.5 millio | n\$7 | '50.000 | |
| | | | | • | |
| Cities, Countie | s and | | | | |
| and Elderly Di | sabled | | | | |
| Transportation | | \$945,000 | 93.1 | 5 millio | מו |

TEXT OF MEASURE

Relating to taxation; creating new provisions; amending ORS 323.170 and section 5, chapter 869, Oregon Laws 2001; appropriating money; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

Be It Enacted by the People of the State of Oregon:

<u>SECTION 1.</u> Sections 2 and 4 to 7 of this 2002 third special session Act are added to and made a part of ORS 323.005 to 323.482.

SECTION 2. (1) Notwithstanding ORS 323.030 (2) and in addition to and not in lieu of any other tax, every distributor shall pay a tax upon distributions of cigarettes at the rate of 30 mills for the distribution of each cigarette in this state.

(2) Any cigarette for which a tax has once been imposed under ORS 323.005 to 323.482 may not be subject upon a

subsequent distribution to the taxes imposed by ORS 323.005 to 323.482.

- (3) Moneys received under this section shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of refunds:
- (a) 29.37/30 of the moneys shall be credited to the Oregon Health Plan Fund established under section 9 of this 2002 third special session Act:
- (b) .14/30 of the moneys are continuously appropriated to the Oregon Department of Administrative Services for distribution to the cities of this state;
- (c) .14/30 of the moneys are continuously appropriated to the Oregon Department of Administrative Services for distribution to the counties of this state;
- (d) .14/30 of the moneys are continuously appropriated to the Department of Transportation to be distributed and transferred to the Elderly and Disabled Special Transportation Fund established under ORS 391.800; and
- (e) .21/30 of the moneys shall be credited to the Tobacco Use Reduction Account established under ORS 431.832.
- (4)(a) Moneys distributed to cities and counties under this section shall be distributed to each city or county using the proportions used for distributions made under ORS 323.455.
- (b) Moneys shall be distributed to cities, counties and the Elderly and Disabled Special Transportation Fund at the same time moneys are distributed to cities, counties and the Elderly and Disabled Special Transportation Fund under ORS 323.455.

<u>SECTION 3.</u> Section 2 of this 2002 third special session Act applies to distributions of cigarettes occurring on or after the first day of the month following the effective date of this 2002 third special session Act.

SECTION 4. (1) In addition to and not in lieu of any other tax, for the privilege of holding or storing cigarettes for sale, use or consumption, a floor tax is imposed upon every dealer at the rate of 30 mills for each cigarette in the possession of or under the control of the dealer in this state at 12:01 a.m. on the first day of the month following the effective date of this 2002 third special session Act.

(2) The tax imposed by this section is due and payable on or before 20 days after the first day of the month following the effective date of this 2002 third special session Act. Any amount of tax that is not paid within the time required shall bear interest at the rate established under ORS 305.220 per month, or fraction of a month, from the date on which the tax is due to be paid, until paid.

(3) On or before 20 days after the first day of the month following the effective date of this 2002 third special session Act, every dealer must file a report with the Department of Revenue in such form as the department may prescribe. The report must state the number of cigarettes in the possession of or under the control of the dealer in this state at 12:01 a.m. on the first day of the month following the effective date of this 2002 third special session Act and the amount of tax due. Each report must be accompanied by a remittance payable to the department for the amount of tax due.

SECTION 5. In addition to and not in lieu of any other tax, for the privilege of distributing cigarettes as a distributor and for holding or storing cigarettes for sale, use or consumption, a floor tax and cigarette adjustment indicia tax is imposed upon every distributor in the amount of 75 cents for each Oregon cigarette tax stamp bearing the designation "25," in the amount of 60 cents for each Oregon cigarette tax stamp bearing the designation "20" and in the amount of 30 cents for each Oregon cigarette tax stamp bearing the designation "10" that is affixed to any package of cigarettes in the possession of or under the control of the distributor at 12:01 a.m. on the first day of the month following the effective date of this 2002 third special session Act.

SECTION 6. (1) Every distributor must take an inventory as of 12:01 a.m. on the first day of the month following the

effective date of this 2002 third special session Act of all packages of cigarettes to which are affixed Oregon cigarette tax stamps and of all unaffixed Oregon cigarette tax stamps in the possession of or under the control of the distributor.

- (2) Every distributor must file a report with the Department of Revenue on or before 20 days after the first day of the month following the effective date of this 2002 third special session Act in such form as the department may prescribe, showing:
- (a) The number of Oregon cigarette tax stamps, with the designations of the stamps, that were affixed to packages of cigarettes in the possession of or under the control of the distributor at 12:01 a.m. on the first day of the month following the effective date of this 2002 third special session Act: and
- (b) The number of unaffixed Oregon cigarette tax stamps, with the designations of the stamps, that were in the possession of or under the control of the distributor at 12:01 a.m. on the first day of the month following the effective date of this 2002 third special session Act.
- (3) The amount of tax required to be paid with respect to the affixed Oregon cigarette tax stamps shall be computed pursuant to section 5 of this 2002 third special session Act and remitted with the distributor's report. Any amount of tax not paid within the time specified for the filing of the report shall bear interest at the rate established under ORS 305.220 per month, or fraction of a month, from the due date of the report until paid.

SECTION 7. All moneys received by the Department of Revenue from the taxes imposed by sections 4 and 5 of this 2002 third special session Act shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of refunds:

- (1) 29.58/30 of the moneys shall be credited to the Oregon Health Plan Fund established under section 9 of this 2002 third special session Act;
- (2) .14/30 of the moneys are continuously appropriated to the Oregon Department of Administrative Services for distribution to the cities of this state;
- (3) .14/30 of the moneys are continuously appropriated to the Oregon Department of Administrative Services for distribution to the counties of this state; and
- (4) .14/30 of the moneys are continuously appropriated to the Department of Transportation to be distributed and transferred to the Elderly and Disabled Special Transportation Fund established under ORS 391.800.

SECTION 8. (1) Notwithstanding sections 2 (3) and 7 of this 2002 third special session Act, for the biennium beginning July 1, 2001, \$2 million in moneys credited to the Oregon Health Plan Fund established under section 9 of this 2002 third special session Act shall be transferred from the Oregon Health Plan Fund to the Tobacco Use Reduction Account established under ORS 431.832.

(2) Moneys transferred to the Tobacco Use Reduction Account under this section shall be used to fund programs that qualify for Tobacco Use Reduction Account grants under ORS 431.832 and 431.834 and that are administered by the Department of Human Services or any other state agency. Moneys transferred to the Tobacco Use Reduction Account under this section may not by used to fund programs administered by a city, county or other local government.

<u>SECTION 9.</u> (1) The Oregon Health Plan Fund is established, separate and distinct from the General Fund. Interest earned by the Oregon Health Plan Fund shall be retained by the Oregon Health Plan Fund.

(2) Moneys in the Oregon Health Plan Fund are continuously appropriated to the Department of Human Services for the purposes of funding the maintenance and expansion of the number of persons eligible for medical assistance under the Oregon Health Plan and funding the maintenance of the benefits available under the Oregon Health Plan.

SECTION 10. ORS 323.170 is amended to read:

- 323.170. (1) Stamps shall be sold to a licensed distributor at their denominated values less a sum allowed as compensation to a distributor for services in affixing stamps to packages as required by ORS 323.005 to 323.482. Payment for stamps shall be made at the time of purchase, provided that a licensed distributor, subject to the conditions and provisions of ORS 323.005 to 323.482, may be permitted to defer stamp payments.
- (2) The compensation to each distributor for each [package of 20 cigarettes to which the distributor affixes an] Oregon stamp sold during the calendar year shall be[.]
- [(a) For the first 26,000 cases of cigarettes, \$.0024 per package.]
- [(b) For any volume in excess of 26,000 cases, \$.0018 per package] \$0.004 per stamp.

SECTION 11. The amendments to ORS 323.170 by section 10 of this 2002 third special session Act apply to compensation paid under ORS 323.170 for Oregon stamps sold on or after the first day of the month following the effective date of this 2002 third special session Act.

SECTION 12. Section 5, chapter 869, Oregon Laws 2001, is amended to read:

Sec. 5. Notwithstanding ORS 323.455 and section 3, chapter 385, Oregon Laws 1995, if cigarette tax revenues for the biennium beginning July 1, 2001, that are dedicated to funding the Oregon Health Plan under ORS 323.455 (4) and section 3 (3), chapter 385, Oregon Laws 1995, equal \$175 million, any additional cigarette tax revenues raised during the biennium beginning July 1, 2001, from the taxes imposed under ORS 323.030 or section 3, chapter 385, Oregon Laws 1995, that otherwise would be distributed to the Oregon Health Plan shall be credited to the Senior Prescription Drug Assistance Fund established under [section 6 of this 2001 Act] ORS 414.348.

<u>SECTION 13.</u> This 2002 third special session Act takes effect on the 91st day after the date on which the third special session of the Seventy-first Legislative Assembly adjourns sine die.

NOTE: **Boldfaced** type indicates new language; [brackets and italic] type indicates deletions or comments.

EXPLANATORY STATEMENT

This measure increases cigarette taxes by 60 cents per 20-cigarette pack. The measure requires revenues raised by the cigarette tax increase to be spent primarily on the Oregon Health Plan.

Under current law, cigarette wholesale distributors pay a tax of 68 cents per 20-cigarette pack. The tax is paid by a wholesale distributor and is imposed when cigarettes are distributed by the wholesale distributor.

The cigarette tax in this measure is imposed on the distribution of cigarettes by wholesale distributors. The measure imposes the tax both on cigarettes distributed on or after November 1, 2002, and on retail inventories of cigarettes on the date the tax starts, to ensure that all cigarettes are equally taxed.

This measure requires \$2 million and an additional 0.7 percent of revenue raised by the cigarette tax increase to be used to fund prevention and education programs designed to reduce cigarette and tobacco use. Cities, counties and elderly and disabled transportation receive 1.4 percent of the additional tax revenue. The measure requires all other moneys raised by the cigarette tax increase to be used to maintain and expand the number of persons covered by the Oregon Health Plan, a health insurance program for low-income Oregonians.

(This impartial statement explaining the ballot measure was provided by the legislature of the 2002 Third Special Session.)

LEGISLATIVE ARGUMENT IN SUPPORT | ARGUMENT IN FAVOR

Ensuring a Source of Vital Funding

Measure 20 places a 60 cent tax on a package of cigarettes. It will generate nearly \$70 million dollars for the Oregon Health Plan in the next year and \$207 million dollars from 2003 to 2005. Even with this increase, Oregon's tax remains lower than Washington's tax. These funds are needed if the state is going to provide health care to low income Oregonians.

Rising Need for Health Care Services

Oregon's recent high unemployment has meant fewer dollars for state programs at a time of increasing demand for those services. In the last six months, more than 40,000 low income Oregonians were added to the Oregon Health Plan. Smokers make up a disproportionate share of those receiving services from the Oregon Health Plan and tobacco related illness cost Oregon tax payers tens of millions of dollars. Without new revenue from measure 20, the state cannot continue to provide adequate health care services to low income Oregonians who desperately need

Reducing Teen Smoking

Measure 20 will reduce teen smoking and stop more teens from adopting this life threatening habit. Studies show that fewer teens will smoke if the price of cigarettes is increased. Studies also show that a person who does not smoke as a teenager is not likely to become an addicted smoker in later life. The measure dedicates nearly \$3 million dollars over the next six years to augment the \$6.7 million currently being spent annually on tobacco prevention programs. With these funds, the state can help prevent many young people from ever smoking and get those who smoke to quit.

Why a Referral?

Without the referral, the tobacco industry could have delayed your vote on this issue until November 2004. It is important to vote yes on measure 20 and stop the tobacco industry from manipulating the system to protect its profit.

Oregonians Need Health Care Coverage Now!

Vote Yes on Measure 20!

Committee Members:

Appointed By:

Senator Verne Duncan Representative Mark Hass Representative Max Williams President of the Senate Speaker of the House Speaker of the House

(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)

JOIN US IN VOTING YES ON MEASURE 20!

Tobacco use exacts terrible costs on Oregonians:

- 6522 deaths in 1999 alone
- \$1.76 billion a year in taxpayer expenses, private medical expenses and lost productivity.
- About a classroom's worth of young people taking up tobacco

And the cost of tobacco use helps drain Oregon's state budget - a budget that is in crisis.

Ballot Measure 20 will increase cigarette taxes by 60 cents per pack, which will still be lower than Washington State. And here is what we will get in return:

- Measure 20 will strengthen the Oregon Health Plan.
- Measure 20 will reduce tobacco consumption and save lives. It will prevent over 15,000 kids from becoming smokers over the next 20 years.
- Measure 20 will ease our state budget crisis, protecting schools and critical programs for children and seniors.

THAT IS WHY THE FOLLOWING ORGANIZATIONS URGE YOU TO VOTE YES ON MEASURE 20

American Cancer Society

American Lung Association of Oregon

American Heart Association

Oregon State Public Interest Research Group (OSPIRG)

Charles J. Bentz, MD, Medical Director, Tobacco Cessation and Prevention, Providence Health System, Oregon

ODS Health Plans

Central Oregon Tobacco Free Alliance, Bend, Oregon

Benton County Tobacco Free Coalition

Birthing and Beyond Childbirth Education

Alcohol and Drug Abuse Programs Association of Oregon

Oregon Chapter, American College of Cardiology

Oregon AFL-CIO

Community Action Directors of Oregon

Oregon Business Association

Oregon Chapter, National Association of Social Workers

Oregon Partnership

(This information furnished by John Chism, American Heart Association.)

(This space purchased for \$500 in accordance with ORS 251,255.)

ARGUMENT IN FAVOR

The American Cancer Society
The American Heart Association
and The American Lung Association of Oregon

urge you to VOTE YES on Measure 20.

There are many good reasons to support this increase in the tobacco tax. It will:

- Add needed funding to the Oregon Health Plan, which provides health care to low-income Oregonians.
- Bring Oregon in line with Washington and California, where smokers pay \$1.425 and \$0.87, respectively, in taxes per pack, compared to \$0.68 in Oregon.
- Help close the budget gap that threatens our schools, parks, services to seniors, and everything else that makes Oregon a great place to live.
- Help repay some of the tremendous costs tobacco use imposes on all taxpayers.

But most important is the undisputed fact that Measure 20 will stop thousands of Oregon teenagers from becoming smokers. According to a recent study by the National Cancer Institute, higher prices discourage kids from buying cigarettes. In fact, price is the single biggest factor influencing how often teenagers smoke tobacco.

Big Tobacco is quite familiar with these facts. That's why they are fighting this measure. Addicting young people is vital to their future. To them, Oregon's young people are simply numbers on a graph and money in the bank.

And that's the #1 reason you should VOTE YES on Measure 20.

Don't let Big Tobacco dictate Oregon's future.

Please help us reduce teen smoking. Vote YES on Measure 20.

(This information furnished by John Chism, American Heart Association.)

ARGUMENT IN FAVOR

THE TOBACCO INDUSTRY WILL SAY ANYTHING TO DEFEAT BALLOT MEASURE 20!

Big tobacco is dead set against Ballot Measure 20 for one simple reason: It will reduce the number of smokers — especially among youth. They are not concerned about the death and disease caused by tobacco use. They are concerned about protecting their profits.

As a result, the tobacco industry will say just about anything to keep Oregon's tobacco taxes the lowest on the West Coast. The problem is, what they have been saying isn't true!

Big Tobacco's Myth #1: cigarette taxes don't reduce consumption.

Reality: Study after study shows that increasing the price of cigarettes reduces consumption — especially among young people. But don't take our word for it. Here is what the tobacco industry itself says:

RJ Reynolds: "If Prices were 10% higher, 12-17 incidence [the percentage of kids who smoke] would be 11.9% lower" [*RJR Document*, 9/20/82]

Philip Morris: "...the 1982-83 round of price increases caused 2 million adults to quit smoking and prevented 600,000 teenagers from starting to smoke...We don't need to have that happen again." [Philip Morris Document, 9/3/87]

Big Tobacco Myth #2: Increasing the cigarette tax leads to smuggling, organized crime, and hurts small business.

- Studies show that smuggling accounts for only 3-5% of cigarettes purchased in the U.S., and that consumers crossing a border to a lower tax state accounts for less than 1% of sales.
- Even with Measure 20, Oregon will have a lower cigarette tax than Washington – the only border where we have a large population base.

"Oregon is a national leader in the effort to rid the marketplace of illegal tobacco products and put tobacco smugglers permanently out of business."

Oregon Attorney General Hardy Myers

> Don't buy big tobacco's lies. Save lives. Save money. Vote YES on Ballot Measure 20!

(This information furnished by Erin Buckmaster, American Cancer Society.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

A Message from an Oregon Nurse:

MEASURE 20 IS GOOD FOR ALL OREGONIANS

Especially teens on the brink of a deadly habit.

It's a fact: making cigarettes more expensive is one of the best ways to stop teenagers from becoming addicted. By voting YES on Measure 20, you could help prevent over 15,000 Oregon kids from becoming smokers over the next 20 years – and from becoming my next patients.

I challenge anyone opposed to Measure 20 to spend a day with me at work.

I'd show them my patients who can only talk through tubes in their throats, thanks to throat cancer caused by cigarette smoking. I'd show them my patients who are living out their last days on oxygen, thanks to emphysema caused by cigarette smoking. I'd show them the families who watch a mother or father die a slow, painful death from lung cancer.

I dare anyone to tell me that paying an extra 60 cents a pack for cigarettes is more of a hardship than what my patients and their families are going through right now.

Sixty cents starts to look like a bargain when you consider that Measure 20 helps ALL Oregonians by:

- * Making it harder for kids to buy cigarettes
- * Closing the budget gap -- raises close to \$90 million per year between 2003 and 2005
- Providing funds for programs to help people quit.
- * Expanding the Oregon Health Plan, which provides basic healthcare to low-income Oregonians

MEASURE 20 PREVENTS TEEN SMOKING AND FUNDS VITAL SERVICES FOR ALL OREGONIANS. PLEASE VOTE YES.

Susan King, RN Oregon Nurses Association

(This information furnished by Susan King, Oregon Nurses Association.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

From the Desk of Governor John Kitzhaber, MD

Dear Oregonian,

I urge you to join me in voting YES on Measure 20. This important measure will:

- STRENGTHEN THE OREGON HEALTH PLAN, which provides health coverage for over 405,000 low-income and vulnerable Oregonians, including children, seniors and disabled individuals. The Health Plan serves as a model for the rest of the nation because it has successfully increased coverage and reduced health care costs for all Oregonians. And even more important: It saves lives.
- DECREASE CIGARETTE SMOKING BY OREGON YOUTH. Research shows that increasing the cost of cigarettes is the most effective way to decrease tobacco consumption among youth. This saves lives and money in the long run. In fact, the last time Oregonians voted to increase cigarette taxes, it helped trigger a dramatic reduction in youth smoking.
- PROVIDES REAL MONEY FOR OREGON'S BUDGET.
 Right now, Oregon faces serigus cuts to our schools, our health care, services to seniors and others. This ballot measure is an important part of helping close our state's overall budget shortfall and adheres to the basic principle of "pay-as-you-go" -- providing sustainable revenue to pay for services.

Measure 20 will raise cigarette taxes by 60 cents per pack. Even with this increase, cigarettes in Oregon will be cheaper than they are in Washington State. As your Governor and a medical doctor, I urge you to join me in voting YES on Measure 20.

Sincerely

John A. Kitzhaber, MD

(This information furnished by John A. Kitzhaber, MD.)

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

OREGON PHYSICIANS SUPPORT MEASURE 20

The Oregon Medical Association, representing 6500 physicians, supports passage of Measure 20. It is an appropriate public health measure to reduce teenage smoking and deter children from starting to smoke.

One reason is the tremendous negative impact of smoking on the health of Oregon Health Plan patients. Over 42% of Oregonians on the Plan use tobacco products, so it makes sense that an increase in the tobacco tax be used to fund the Oregon Health Plan and help with tobacco cessation efforts. Measure 20 would accomplish both.

Ballot Measure 20 will increase the tax on cigarettes by 60 cents and dedicate the revenue to the Oregon Health Plan fund and help people quit smoking altogether.

OREGON PHYSICIANS SUPPORT INCREASING THE TOBACCO TAX

The tobacco industry opposes tobacco taxes, and will say and do anything to try to defeat Measure 20. Do not be fooled by their factics.

 Help save lives. Support health care and smoking cessation efforts in Oregon

Please join OMA and Oregon physicians

Vote "YES" on Ballot Measure 20

OREGON MEDICAL ASSOCIATION

Representing over 6,500 Oregon physicians

(This information furnished by Constance Powell, M.D., President, Oregon Medical Association.)

ARGUMENT IN FAVOR

Oregon's Leading Seniors Organizations Urge a Yes Vote on Ballot Measure 20.

There are many good reasons to vote ves on Ballot Measure 20.

Did you know that it costs Oregon taxpayers \$350 million a year to pay for the health problems caused by tobacco use? Nationally, each pack of cigarettes costs the U.S. \$7 in medical care and lost productivity.

It is only right that tobacco users pay more of their fair share of the costs they impose on the rest of us.

But Measure 20 is especially important to Oregon's seniors.

Today, we are facing one of the most serious budget shortfalls in Oregon history. And services vital to seniors have been especially hard hit.

Programs like Oregon Project Independence, which helps older Oregonians and the disabled stay in their homes, instead of being placed in nursing homes. Prescription assistance for seniors on fixed incomes. Senior transportation programs. All are at risk because of our budget crisis.

Measure 20 will help close the gap. And it even provides help for people who want to quit, saving lives and tax dollars.

Measure 20 isn't just the right thing to do. It's the smart thing to do: for seniors, for kids, for all of us.

Join us in voting YES for Measure 20!

Jim Davis, Oregon State Council of Senior Citizens, United Seniors of Oregon, Advocacy Coalition of Seniors and People with Disabilities, Portland Gray Panthers, Alzheimers Association, Oregon-Greater Idaho

(This information furnished by Jim Davis.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

A Message from Children First for Oregon

WANT TO SAVE CHILDREN'S LIVES? VOTE YES ON BALLOT MEASURE 20.

Since 1991, Children First for Oregon has served as the leading voice for Oregon's more than 800,000 children. As a non-profit, non-partisan advocacy group, Children First has led the charge to improve child well-being.

And there are few things that darken a child's future more than taking up tobacco use. It shortens their lives and harms their health. Here are some frightening facts¹:

- · 19.6% (nearly one in five) eleventh graders smoke.
- 8.7% of Oregon eleventh grade boys use smokeless (chewing) tobacco.
- 8,900 Oregon kids under 18 become daily smokers --every vear.
- 73,000 Oregon kids who are under 18 today will ultimately die prematurely from smoking.

In fact, smoking kills more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined.

And the single most effective way to stop kids from smoking is to raise the price. Since the last time Oregon raised it's cigarette tax, the percentage of 8th graders who smoke is down by 44%. Among 11th graders, smoking is down 30%

It is estimated that Ballot Measure 20 will prevent over 15,000 kids from being smokers over the next 20 years.

Not only will Measure 20 save lives, it will help the Oregon Health Plan, which is the only source of health care for thousands of Oregon children. And by helping close Oregon's budget gap, it will help other things important to children, such as our schools.

For too many years, the tobacco industry has worked to ad_at children.
With one vote, we can help change that.

Vote Yes For Oregon's Kids. Vote Yes on Measure 20!

(This information furnished by Liz Smith, Children First for Oregon.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

MEASURE 20 REDUCES THE IMPACT OF SMOKING RELATED ILLNESSES

Education can help people quit smoking. So can an increase in the price of cigarettes. Measure 20 provides revenue for community-based tobacco use prevention education and cessation programs. With a modest 60 cents per pack increase, accompanied by education, Measure 20 should reduce the number of future smokers. Young adults and kids are more sensitive than older adults to an increase in the price of cigarettes. As many as 15,000 kids could be prevented from becoming smokers over the next 20 years.

MEASURE 20 SUPPORTS HEALTH CARE

Measure 20 would generate \$111.65 million dollars annually after July 2003 for the Oregon Health Plan. The Oregon Health Plan has provided access to health care services for some 115,000 uninsured Oregonians, many of them working poor families. Thirty-seven percent of those who smoke have no health insurance. Fifty-four percent are on Medicaid or Medicare. The faith community knows first hand from its ministry of healing that an additional 400,000 uninsured is no exaggeration. Measure 20 provides much needed revenue for the Oregon Health Plan.

MEASURE 20 REDUCES LOSS OF LIFE AND DOLLARS

Tobacco related illnesses costs Oregon \$1.7 billion annually in taxpayer medical expenses, private medical expenses and lost productivity from early death. In 1999, 6,522 Oregonians lost their lives from direct use of tobacco. An additional 800 Oregonians lost their lives from second hand smoke. Measure 20 provides financial support for smoking cessation and the Oregon Health Plan, critical services that help lead Oregonians to a healthier lifestyle.

FOR A HEALTHY OREGON VOTE YES FOR BALLOT MEASURE 20

(This information furnished by Phillip Wong, Ecumenical Ministries of Oregon.)

(This space purchased for \$500 in accordance with ORS 251.255.)

¹ Data from the Department of Human Services, Oregon Healthy Teens Survey 2001 and from the Campaign for Tobacco Free Kids.

ARGUMENT IN FAVOR

WE CARE FOR OREGON'S CHILDREN JOIN US IN SUPPORTING MEASURE 20

As pediatric health professionals, we've devoted our careers to improving the health and welfare of children. While we spend much of our lives treating diseases, we vastly prefer preventing these diseases by helping parents keep their children safe and healthy.

Measure 20 will advance three important goals that pediatric health professionals strongly support:

- Support tobacco prevention programs for children and teens to help them choose healthy behaviors and lifestyles.
- Preserve health coverage for low-income Oregonians through the Oregon Health Plan. Over 100,000 Oregon children lack access to the care they need to lead healthy lives.
- Reduce tobacco use by youth through increasing the cost of cigarettes. Each day 3,000 American kids will start smoking. Raising the price of cigarettes will reduce that number and decrease the high costs to our society that tobacco-related diseases cause.

HELP KEEP OREGON'S CHILDREN HEALTHY -- SAY YES TO BALLOT MEASURE 20

OREGON PEDIATRIC SOCIETY

(This information furnished by Dr. Jim Lace, Oregon Pediatric Society.)

ARGUMENT IN FAVOR

SUPPORT A CARING COMMUNITY LOWER FUTURE HEALTH CARE NEEDS AND COSTS STRENGTHEN THE OREGON HEALTH PLAN

Health care has been extended to over 100,000 uninsured Oregonians under the Oregon Health Plan. The millions spent for the diagnosis and treatment of preventable tobacco-related diseases add to the cost of health insurance and services for all Oregonians. Cigarette smoking and tobacco use are leading causes of cancer, heart and lung diseases and other serious illnesses. Measure 20 has the promise of reducing the incidence of these diseases and their related costs. In Oregon, the estimated cost in health care and lost productivity is \$900 million a year.

The Tobacco Use Reduction Account will receive \$2 million annually from Measure 20. This account will be used for tobacco use prevention and education programs. The primary focus will be on Oregon's children. Ninety percent of all new smokers are under the age of 18. The education, along with the price increase of 60 cents per pack of cigarettes, promises to lower the number of new smokers and future costs.

The over 200 human service organizations and advocates who make up the Human Services Coalition of Oregon often find themselves providing essential support services to fellow Oregonians whose emergency needs stem from a tobacco related illness.

FOR OREGON'S HEALTH
VOTE YES
ON
MEASURE 20

Human Services Coalition of Oregon

(This information furnished by Tina Kotek, Human Services Coalition of Oregon.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN FAVOR

Oregon Hospitals Support Approval of Measure 20

In 1996, Oregon hospitals took the lead in urging voters to approve Ballot Measure 44, which increased cigarette taxes by 30 cents per pack to support the Oregon Health Plan and tobacco prevention education programs. Fifty-five percent of Oregon voters agreed with us then.

Today, we're asking for your support of Measure 20, which builds on our 1996 foundation with an additional 60 cent tax. This measure is an important part of the package of budget decisions made by the legislature in June to address the current state budget crisis. A "YES" vote will help to stabilize funding of state health and education programs.

Oregon hospitals are essential providers of emergency and acute care services throughout Oregon. While we care for our patients' medical needs, we are also concerned about our communities' well-being. Good schools and social services are important too.

Measure 20 will not only deter tobacco use, particularly among Oregon youth, it will patch a hole in the state budget to avoid cuts in important state services.

Endorsed by:

Russ Danielson, Chief Executive, Providence Health System, Oregon

Rosemari Davis, CEO, Willamette Valley Medical Center, McMinnville

Robert J. Pallari, President & CEO, Legacy Health System, Portland

Glenn Rodriguez, MD, Chief Medical Officer, Providence Health System, Portland

Roy Vinyard, Vice Chair, Oregon Association of Hospitals and Health Systems Board of Trustees, Medford

James A. Wathen, CEO, Southern Coos Health District, Bandon

Janet Wright, RN, Vice President, Patient Care Services, Grande Ronde Hospital, La Grande

JOIN US TODAY IN VOTING FOR A HEALTHIER OREGON TOMORROW

(This information furnished by Ken Rutledge, Oregon Assn of Hospitals and Health Systems.)

ARGUMENT IN FAVOR

Vote YES to Save Schools, Senior Services, Public Safety, and Public Health!

This spring, the state legislature made over \$530 million in budget cuts. Many of these cuts weaken health-related programs, but they also affect Oregonians across the board, from school children to seniors. Further cuts would seriously jeopardize our health, education, safety, and quality of life.

Increasing the tobacco tax enables us to avoid more cuts, to protect quality public services, and to take a first step toward building a more stable revenue base in Oregon.

The tobacco tax...

- · Is good for public health.
- Helps avoid deeper budget cuts.
- Resulted from legislative give-and-take: a true compromise.

Here's how a tobacco tax helps Oregon:

- It helps keep kids from smoking. Studies show that fewer kids start smoking when cigarettes cost more. That means healthier young people and lower health care costs statewide.
- It helps fund public services for smokers and all Oregonians in need. The Oregon Health Plan and other state and local programs offer services to a growing number of Oregonians, especially now that hundreds of thousands of working people in this state lack health insurance. Smokers, in particular, require more and expensive care if they are stricken with smoking-related diseases. If this tax does not pass, the likely alternatives are deeper cuts in programs we rely on, or further borrowing, which mortgages our future.
- It is part of a long-term solution. Unlike most other parts of the legislature's budget balancing package, this measure will contribute to solving the funding crisis for schools and other crucial public services in the future as well as the present.

Vote YES on Measure 20!
It will help Schools, Seniors, Public Safety —
and Good Health!

(This information furnished by Abigail Solomon, SEIU Local 503, OPEU.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN OPPOSITION

As a lifelong Oregonian, I place great value on the sense of togetherness we have in this state. When there are natural disasters, everyone seems to pitch in and help out. When tragedy strikes a family, we are lining up to make those in pain suffer less. Oregonians have an ethic that binds us together and demands that our fellow citizens are treated compassionately and fairly.

That is why Measure 20 is so contrary to what most of us hold dear.

Measure 20 is a mean-spirited tax and spend proposal that singles out 20% of our population to pay an increased tax for government services that benefit 100% of Oregonians.

I am an adult and I have chosen to use tobacco products. I am also a homeowner and a taxpayer. I already pay my fair share of every single tax, local, state and federal. Measure 20 would require that I pay more than my fair share of the total tax load. This is wrong.

Some politicians will tell you that Measure 20 is the way to go, but what they really mean is that it is the easiest way to go. Make just a few people pay a tax. It will be the "other person's tax."

Well, I am one of those "other people" and I urge you to join me in voting against Measure 20. If we don't defeat this measure, you may be in the next minority group of Oregonians that the politicians decide to come after.

Vote No on Measure 20 on September 17th.

(This information furnished by Andrea Reimer.)

ARGUMENT IN OPPOSITION

The récession of 2001-2002 has hit Oregon, and its businesses and families, very hard. We all know relatives, friends, acquaintances and business associates who have been harmed by the economic downturn.

The recent economic problems have also required that many businesses and individuals make difficult decisions about how much to spend and what to spend it on. For most of us, the choice has not been to spend more. The choice has been to spend less.

Measure 20, however, is a tax increase that will allow government to spend more tax dollars than it has today.

Many economists, and certainly most business people in Oregon, believe that the last thing to do during a recession is to raise taxes of any sort. Yet that is exactly what Measure 20 will do.

Measure 20 is the worst type of tax increase imaginable. It targets about 20% of Oregonians. These are adults who choose to use tobacco products. The politicians who sent this measure to the ballot made the decision that these 20% of our fellow citizens are not worth worrying about, that they could be run over without any adverse political impact.

It is time that the Legislature understood that less tax revenues should mean less spending, not tax increases or new taxes. Measure 20 is especially objectionable because it is so unnecessary. At the time the Legislature voted to send Measure 20 to the ballot, it decided not to spend hundreds of millions of dollars that were already available without increasing taxes.

Send the politicians a message. Vote no on Measure 20. Instead of new taxes, we should use the tax revenues we already have and make the tough spending choices.

Singling out a minority of Oregonians to pay a tax that will benefit all citizens of this state is simply wrong. Say no on September 17th.

J.L. Wilson

National Federation of Independent Business

(This information furnished by J.L. Wilson, National Federation of Independent Business.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN OPPOSITION

Please join me in voting NO on Measure 20. This measure would increase Oregon's cigarette tax by over 88 percent. To impose a multi-million dollar tax on a minority of Oregonians is not only unfair and discriminatory, it is bad tax policy.

With a tax increase of this size, the state will not realize near the tax numbers projected. Many smokers will simply use other readily available sources to avoid not only the new tax, but the existing taxes on cigarettes. A significant amount of cigarettes are already being purchased from the Internet, tax-free Native American Reservation stores, and border states with lower taxes. The smuggling of black market cigarettes will also dramatically increase. Oregon's current cigarette tax is already 20 percent higher than the national average of other states, and this proposed increase can only be described as punitive.

All Oregonians should share in meeting our state's budget needs, rather than targeting a select minority of our population. To force an estimated 20 percent of Oregonians to bear the tax burden for all Oregonians is simply not right.

Many Oregonians believe that our state has enough money already, and that the Governor and the Legislature should figure out how to live within our considerable means. As a result, Oregonians have consistently rejected a sales tax.

But Measure 20 is nothing more than a sales tax on a single product category. What products will be next in line to be singled out for a select sales tax? Some states have seriously considered increasing so-called "sin" taxes, on lattes, hamburgers and fries, soft drinks, ice cream, beer, and other "luxuries". Cigarettes are simply first, and more "politically feasible".

Please join me in voting No on Measure 20; first, because it's unfair to target a minority of Oregonians, and second, if you're not a smoker, your particular "sin" may be taxed next.

Please vote NO on Measure 20.

William C. (Chris) Girard President/CEO, Plaid Pantries, Inc.

(This information furnished by William (Chris) Girard, Jr., Plaid Pantries, Inc.)

ARGUMENT IN OPPOSITION

Oregon CSE PAC urges you to **VOTE NO on Measure 20**, the 60-cent per pack cigarette tax increase. Oregonians must be realistic about cigarette taxes and not take any steps to undermine our revenues by increasing taxes. Since Washington State passed its cigarette tax increase, Oregon has seen dramatic increase in its cigarette tax revenues thanks to cross-border purchases. If Oregon increases its per-pack cigarette taxes – in an effort to raise less than \$65 million – the state could easily lose more money from fewer cross-border purchases than it would gain from the higher per-pack assessment.

Recently Dr. Roland Sturm, an economist for Rand Corp., in a study published in *Health Affairs*, a respected medical journal, 12 March 2001, revealed that cigarette taxes would actually be less beneficial to public health than Banana Crème Pie taxes. According to Sturm's study, obese patients, on average; spend 36 percent more on medical care and 77 percent more on prescription drugs than a person of average weight. By contrast, the study calculated that a smoker spends only 21 percent more on care and 28 percent more on drugs than a non-smoker

Of course taxes on fatty foods are not even being considered. But that's because those in favor of increased taxes are not all that concerned about public health. They simply want to find a way to pay for the 114 PERCENT INCREASE IN THE STATE'S BUDGET OVER THE PAST DECADE, and tobacco makes for easy pickins'. After all, the state cannot claim that the tax will increase revenues by over \$65 million and dramatically decrease smoking at the same time. If the tax succeeds in its public health mission, it will fail to close the budget deficit and vice versa. Most likely, the tax will fail on both counts as the black market and cross-state purchases reduce revenue, while smoking levels remain unchanged.

R. Russell Walker Treasure Oregon Citizens For A Sound Economy PAC

(This information furnished by R. Russell Walker, Citizens for a Sound Economy PAC.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

(This space purchased for \$500 in accordance with ORS 251.255.)

ARGUMENT IN OPPOSITION

For many of Oregon's 2,500 retailers in the convenience store industry, the passage of Measure 20 (which increases Oregon's cigarette tax by nearly 90 percent) would be the final event that forces them to close their doors for good.

Nationally and in Oregon, those in the convenience store industry already face perilous financial difficulties. With increased competition from big box stores selling gasoline, declining gross margins on fuel and merchandise, coupled with an already weak economy, many retailers have been forced out of business and many more stand a few steps away from the same fate. Family businesses that have thrived for years are now on the auction block at fire sale prices.

When businesses close, not only do the owners see years of hard work swept away, but their employees face an even bleaker future. Recently, a medium-sized convenience store operator in Oregon had to take away health care coverage from its 200 employees who had enjoyed free coverage for more than a decade. Most of those employees will now have to turn to the Oregon Health Plan for coverage for themselves and their families.

Under Measure 20, store operators would lose \$160 million in tobacco sales and an additional \$50 million in other product sales. With almost \$45 million dollars of gross profit in jeopardy, the average store would have to make up \$17,000 in lost gross profits by boosting sales of other items by \$75,000 – an unlikely scenario in today's environment. For those who work in Oregon's retail industry, a tax increase of this magnitude will result in a direct loss of over 700 jobs.

Perhaps more so than in any other industry, the convenience store owner is a member of your neighborhood. And while an increase in tobacco taxes may not affect you personally, it may well prove disastrous for your neighbor.

Please join us in voting NO on measure 20.

Terrence W. McEvilly Chairman Oregon Neighborhood Store Association

(This information furnished by Terrence W. McEvilly, Oregon Neighborhood Store Association.)

(This space purchased for \$500 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN OPPOSITION

No one at the Taxpayer Association smokes cigarettes. Nevertheless, we are all opposed to Ballot Measure 20. Measure 20 is the embodiment of the typical politicians' pitch: "Let's not tax thee, let's not tax me. Let's tax the guy behind the tree!"

Demonstrating a lack of moral fiber by not reducing even a small portion of wasteful spending, our politicians think they can safely increase taxes by getting the 75% of Oregonians who don't smoke to pile more taxes on the 25% who do. Clever.

If you think you might vote for Measure 20 because you hate cigarette smoking, and/or feel that such a tax would be "no skin off your nose," please think again.

Vicious Circle. In times of economic trouble, responsible government will cut spending, not increases taxes. Any new taxes will further grow government which will cost everyone much more in the future.

Simple Economics. Unless an American consumer is either totally rich or totally stupid, he or she will always shop for the best price. A practical example: The State of Washington recently heavily boosted its own cigarette tax. Guess what? Sales of cigarettes in Oregon immediately increased, resulting in more tax revenue to the state! Adding 60 cents a pack to Oregon cigarettes drives those out-of-state buyers back to where the came from. How smart is that?

Smoking Cessation. Really? If you were thinking higher taxes will cause smokers to modify their behavior, it will, but it doesn't mean they'll quit smoking. It means they'll change their buying habits. There are lots of folks on the internet and on Indian reservations who'll be very happy to see us jack up the price of smokes.

Please give our politicians a lesson in economics and good government. Let them know that the problem isn't lack of taxes. The problem is their irresponsible spending.

No on 20 is not a vote for smoking ... It's a vote for better government

(This information furnished by Don McIntire, President, Taxpayer Association of Oregon.)

(This space purchased for \$500 in accordance with ORS 251.255.)

County Elections Offices

Baker

Tamara J. Green Baker County Clerk 1995 3rd St. Suite 150 Baker City, OR 97814-3398 541-523-8207 TTY 541-523-8208

Benton

James Morales
Elections Division
120 NW 4th St.
Corvallis, OR 97330
541-766-6756 TTY 541-766-6080 Fax 541-766-6757

Clackamas

Ardis Stevenson Clackamas County Clerk Elections Division 825 Portland Ave. Gladstone, OR 97027-2195 503-655-8510 TTY 503-655-1685 Fax 503-655-8461

Clatsop

Elections Division
PO Box 178, 749 Commercial
Astoria, OR 97103-0178
503-325-8511 TTY 503-325-9307 Fax 503-325-9307
e-mail: nwilliams@co.clatsop.or.us
http://www.co.clatsop.or.us

Columbia

Elizabeth (Betty) Huser
Columbia County Clerk
Courthouse, 230 Strand St.
St. Helens, OR 97051-2089
503-397-7214 TTY 503-397-7246 Fax 503-397-7266
e-mail: huserb@co.columbia.or.us
http://www.co.columbia.or.us

Coos

Terri L. Turi, CMC
Coos County Clerk
Courthouse, 250 N. Baxter St.
Coquille, OR 97423-1899
541-396-3121, Ext. 301 TTY 1-800-735-2900
Fax 541-396-6551
e-mail: coosclerk@co.coos.or.us
http://www.co.coos.or.us

Crook

Deanna (Dee) Berman Crook County Clerk 300 NE Third, Room 23 Prineville, OR 97754-1919 541-447-6553 TTY 541-416-4963

Curry

Reneé Kolen Curry County Clerk PO Box 746 Gold Beach, OR 97444 541-247-3297 Fax 541-247-6440

Deschutes

Mary Sue (Susie) Penhollow Deschutes County Clerk Deschutes Services Bldg. 1340 NW Wall St. Bend, OR 97701 541-388-6546 TTY 541-385-3203 Fax 541-389-6830

e-mail: susiep@deschutes.org
http://www.deschutes.org

Douglas

Doyle Shaver, Jr.
Douglas County Clerk
PO Box 10
Roseburg, OR 97470-0004
541-440-4252 Fax 541-440-4408
e-mail: elections@co.douglas.or.us

Gilliam

Rena Kennedy
Gilliam County Clerk
PO Box 427
Condon, OR 97823-0427
541-384-2311

Grant

Kathy McKinnon
Grant County Clerk
201 S. Humbolt St. #290
Canyon City, OR 97820
541-575-1675 TTY 541-575-1675 Fax 541-575-2248
e-mail: grantco@oregontrail.net

Harney

Maria İturriaga Harney County Clerk Courthouse, 450 N. Buena Vista Burns, OR 97720 541-573-6641 Fax 541-573-8370 e-mail: clerk@co.harney.or.us http://www.co.harney.or.us

Hood River

Sandra Berry Director, Records/Assessment Courthouse, 309 State St. Hood River, OR 97031-2093 541-386-1442

Jackson

Kathy Beckett
Jackson County Clerk
1101 W Main St. Suite 201
Medford, OR 97501-2369
541-774-6148 TTY 541-774-6719 Fax 541-774-6140
e-mail: becketks@jacksoncounty.org
http://www.co.jackson.or.us

Jefferson

Kathy Marston
Jefferson County Clerk
Courthouse Annex A, 66 SE "D" St. Suite C
Madras, OR 97741
541-475-4451 TTY 541-475-4451 Fax 541-325-5018
e-mail: kathy.marston@co.jefferson.or.us

Josephine

Georgette Brown Josephine County Clerk PO Box 69 Grants Pass, OR 97528-0203 541-474-5243 TTY 1-800-735-2900 Fax 541-474-5246 e-mail: clerk@co.josephine.or.us

Klamath

Linda Smith
Klamath County Clerk
305 Main St.
Klamath Falls, OR 97601
541-883-5134 or 1-800-377-6094 Fax 541-885-6757
e-mail: lsmith@co.klamath.or.us
http://www.co.klamath.or.us

County Elections Offices

Lake

Stacie Geaney Lake County Clerk 513 Center St. Lakeview, OR 97630-1539 541-947-6006 TTY 541-947-6007

Lane

Annette Newingham
Chief Deputy County Clerk
135 E. 6th Ave.
Eugene, OR 97401
541-682-4234 TTY 541-682-4320 Fax 541-682-2303
http://www.co.lane.or.us/elections/

Lincoln

Dana Jenkins Lincoln County Clerk 225 W. Olive St., Room 201 Newport, OR 97365 541-265-4131 TTY 541-265-4193 Fax 541-265-4950 http://www.co.lincoln.or.us/clerk/

Linn

Steven Druckenmiller Linn County Clerk 300 SW 4th Albany, OR 97321 541-967-3831 TTY 541-967-3833

Malheur

Deborah R. DeLong
Malheur County Clerk
251 "B" St. West, Suite 4
Vale, OR 97918
541-473-5151 TTY 541-473-5157 Fax 541-473-5523
e-mail: ddelong@malheurco.org
http://www.malheurco.org

Marion

Alan H. Davidson
Marion County Clerk
Elections Division
4263 Commercial St. SE, #300
Salem, OR 97302-3987
503-588-5041 or 1-800-655-5388 TTY 503-588-5610
e-mail: elections@co.marion.or.us
http://www.co.marion.or.us/clerksoffice/

Morrow

Barbara Bloodsworth Morrow County Clerk PO Box 338 Heppner, OR 97836-0338 541-676-5604 TTY 541-676-9061

Multnomah

John Kauffman
Director of Elections
1040 SE Morrison St
Portland, OR 97214-2495
503-988-3720 Fax 503-988-3719
e-mail: john.kauffman@co.multnomah.or.us
http://www.co.multnomah.or.us/elect/

Polk

Linda Dawson
Polk County Clerk
Courthouse, Room 201
Dallas, OR 97338-3179
503-623-9217 TTY 503-623-7557 Fax 503-623-0717
e-mail: dawson.linda@co.polk.or.us
http://www.co.polk.or.us

Sherman

Linda Cornie Sherman County Clerk PO Box 365 Moro, OR 97039-0365 541-565-3606 Fax 541-565-3312 e-mail: scclerk@sherman.k12.or.us

Tillamook

Tassi O'Neil
Tillamook County Clerk
201 Laurel Ave.
Tillamook, OR 97141
503-842-3402 Fax 503-842-1599
e-mail: toneil@co.tillamook.or.us
http://www.co.tillamook.or.us

Umatilla

Patti Chapman Director of Elections PO Box 1227 Pendleton, OR 97801 541-278-6254 Fax 541-278-5467 e-mail: elections@co.umatilla.or.us http://www.co.umatilla.or.us

Union

R. Nellie Bogue-Hibbert Union County Clerk 1001 4th St. Suite D LaGrande, OR 97850 541-963-1006 Fax 541-963-1013 e-mail: nhibbert@union-county.org http://www.union-county.org

Wallowa

Charlotte McIver
Wallowa County Clerk
101 S. River St., Room 100
Enterprise, OR 97828-1335
541-426-4543, Ext. 15 Fax 541-426-5901
e-mail: wcclerk@co.wallowa.or.us
http://www.co.wallowa.or.us

Wasco

Karen LeBreton
Wasco County Clerk
Courthouse, 511 Washington St.
The Dalles, OR 97058
541-296-6159 TTY 541-296-6159 Fax 541-298-3607
e-mail: karenl@co.wasco.or.us

Washington

Ginny Kingsley Elections Division 3700 SW Murray Blvd. Suite 101 Beaverton, OR 97005 503-846-5800 TTY 503-846-4598

Wheeler

Barbara S. Sitton Wheeler County Clerk PO Box 327 Fossil, OR 97830-0327 541-763-2401 TTY 541-763-2401 Fax 541-763-2026 e-mail: bsitton@ncesd.k12.or.us

Yamhill

Charles Stern
Yamhill County Clerk
Courthouse, 535 NE 5th St., Room 119
McMinnville, OR 97128-4593
503-434-7518 TTY 1-800-735-2900 Fax 503-434-7520
e-mail: elections@co.yamhill.or.us
http://www.co.yamhill.or.us/clerk/

Voting Information

VOTE BY MAIL

What is Vote by Mail?

Vote by Mail is a method of conducting elections. Instead of using traditional polling places where voters go to cast ballots on election day, a ballot is automatically mailed to each registered voter. The ballot is then voted and returned to the county elections official to be counted.

When are the ballots mailed to the voters?

Ballots are mailed between the 18th and 14th days before the election.

As a voter, what do I have to do?

Your ballot packet will automatically be mailed to you. Inside the packet you will find the ballot, a secrecy envelope and a return envelope. Once you vote the ballot, place it in the secrecy envelope and seal it in the pre-addressed return envelope. Be sure you sign the return envelope on the appropriate line. After that just return the ballot either by mail or at a designated drop site.

What if I am uncomfortable voting my ballot at home?

Privacy booths are available for you to cast your ballot. There are privacy booths at your county elections office and there may be others at drop site locations elsewhere in your county. For further information, call your county elections official.

What if I make a mistake or need a new ballot?

If your ballot is lost, destroyed, damaged or you make a mistake in marking your ballot, you may call your county elections office and request a replacement ballot. One will be mailed to you as long as you request it by September 12. After that, you may pick it up at the elections office. If you have already mailed your original ballot before you realize you made a mistake, you have cast your vote and will not be eligible for a replacement ballot.

What if my ballot doesn't come?

If you are registered to vote and have not received your ballot within a week after they are mailed, call your county elections office. They will check that your voter registration is current. If it is, they will mail you a replacement ballot.

What if I have moved and have not updated my registration? If you were registered to vote by August 27 but now have a different address, call your county elections office for instructions on how to update your registration and receive a ballot.

Do I have to return my ballot by mail?

You have the choice of mailing your ballot or returning it to any county elections office or any designated drop site in the state. The times and locations of drop sites are listed in the Voters' Pamphlet and are also available at your county elections office.

How much postage is required to mail the ballot back?

Your voted ballot can usually be returned using a single 37ϕ stamp. In those instances where additional postage is necessary, it will be clearly indicated on the ballot materials.

When must the voted ballot be returned?

The voted ballot must be received in any county elections office or designated drop site by 8:00 p.m. on election night. <u>Postmarks do not count!</u>

How do I know if my ballot is received?

You can call your county elections office and ask if they received your ballot. A record is kept showing each voter whose ballot has been returned.

Can anyone find out how I've voted once I mail my ballot?

No. All ballots are separated from the return envelope before the ballots are inspected. This process ensures confidentiality.

What if I forget to sign the return envelope?

Generally, your elections office will either return it to you for signing or they will contact you, if possible, to come to the elections office to sign it. If the return envelope does not get signed before 8:00 p.m. on September 17, the ballot will not be counted.

Can the public watch the election process?

All steps of the process are open to observation by the public. Contact your county elections official to make arrangements.

When will election results be known?

Ballot counting cannot begin until election day. Initial results are released at 8:00 p.m. election night and will continue to be updated through election night until all ballots have been counted.

VOTERS WITH DISABILITIES

If you are unable to vote your ballot without assistance, because of a physical disability or because you are unable to read or write, contact your county elections official. They will provide two persons to assist you in voting. In order to assure the county receives your voted ballot by Election Day, contact your county elections office early to arrange for assistance. You may also select someone else of your own choice to assist you.

A cassette edition of the Voters' Pamphlet is available for Oregonians who cannot read standard print due to a visual or physical disability. To order a cassette of the Voters' Pamphlet, please contact Independent Living Resources at 503-232-7411.

SECRETARY OF STATE Bill Bradbury State Capitol Salem, Oregon 97310-0722



NONPROFIT CAR-RT SORT U.S. Postage PAID Portland, OR Permit No. 815

RESIDENTIAL CUSTOMER

voters' pamphlet



OREGON VOTE BY MAIL SPECIAL ELECTION, SEPTEMBER 17, 2002

