9-15-1950

Referendum on Uniform Standard Time providing Uniform Standard Time in Oregon

City Club of Portland (Portland, Or.)

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Report On

REFERENDUM ON UNIFORM STANDARD TIME

PROVIDING UNIFORM STANDARD TIME IN OREGON

Purpose: To establish uniform standard time in Oregon; authorizes governor to vary such standard Oregon time by not more than one hour, upon making a formal finding of fact that the economy and general welfare of this state are at material disadvantage by lack of uniformity between standard Oregon time with the time in general use in states bordering on Oregon. Such fact to appear by a proclamation and published throughout the state, showing necessity for varying the uniform standard time to eliminate such condition. Thereafter standard Oregon time shall be and exist as stated in such proclamation.

310   Yes
311   No

To the Board of Governors
The City Club of Portland:

In its investigation your committee decided it was both unnecessary and unwise to take a position for or against daylight saving time.

In considering the bill before this committee, it should be stated at the outset this is not a bill for or against daylight saving time. The bill in effect gives discretionary power to the governor to proclaim uniform daylight saving time throughout the state at such time as lack of it appears to place "the economy and general welfare" of the state at a material disadvantage.

This bill, in short, is not designed to give voters a choice between standard and daylight saving time. It does give them a choice between state control of time or local option. Since groups which have traditionally opposed daylight saving time—theatre and night club owners, farmer groups and labor organizations—are in favor of the bill, your committee believes that as a practical matter the governor is not expected to establish daylight saving time in the foreseeable future.

The effect of the bill then would be to deny the people of Portland and other communities the opportunity to have daylight saving time if they so wished; or, conversely, if daylight saving were ever proclaimed by the Governor, it would deny to communities opposing it the right to keep standard time.

Implied in this bill then is the proposition that uniformity throughout the state (being standard time for the present) is more desirable than the present system of home rule on the matter.

Had this issue been clearly presented in the bill it would have been a matter, your committee believes, for the individual voter to determine according to his own biases and interests. However, your committee feels the bill under consideration is so confusing and uninformative as to its real effects that all but a well-informed few will be unable to make a fair choice. It thus feels this bill does not truly give the people of Oregon a bona fide opportunity to vote on the question of uniformity as against home rule.

Conclusions

Voters will undoubtedly look at the ballot title to determine whether or not this bill is for or against daylight saving time. They will find no answer from the ballot title and will make at best a hazardous guess in the few seconds they allot themselves to vote on the matter. Many will doubtless vote "Yes," believing they are voting for daylight saving time. "No" votes will be cast by many of those who are against daylight saving time.

Neither the practical effect of the law, nor the fact this bill is really testing people's feelings on uniformity appears plainly.

Your committee believes that while there is no method to satisfy everybody on such an issue, it might best be settled by putting clearly before the people these questions:

1. Shall there be uniformity of time in Oregon in place of the present system of "home rule"?
2. If uniformity is established, shall there be standard time rather than daylight saving time during designated months?

To cite comparative legislation and for whatever bearing it may have on the problem here, your committee wishes to point out that California has uniform daylight saving time established at a special election in 1949, whereas Washington has retained the system of home rule now existing in Oregon, with the major proportion of its population under daylight saving time.

Your committee favors the continuation of the present system until such time as the questions of uniformity as opposed to home rule, and daylight saving time as opposed to standard time, can be put before the people in a straightforward manner.

Recommendation

Therefore, on the basis of its examination of this proposed bill and its investigation of the issues, your committee recommends that the City Club go on record as opposing the proposed law and that the vote be 311 NO.

Respectfully submitted,

ROGER BACHMAN
SIDNEY LEZAK
A. M. SCHÖNFERDT
WILLIAM R. SWING
FRANCIS B. JACOBGER, Chairman

Submitted to Ed F. Averill, Section Chairman, Legislation and Elections, and approved by him August 23, 1950, for transmittal to the Board of Governors.

Received by the Board of Governors September 6, 1950, and ordered printed and submitted to the membership for discussion and action.

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Report On

CONSTITUTIONAL AMENDMENT LENDING STATE TAX CREDIT FOR HIGHER EDUCATION BUILDINGS

Purpose: Amending Oregon constitution by adding a new article entitled Article XI-F, authorizing state to loan its credit and incur indebtedness not exceeding at any one time three-fourths of one per cent of assessed valuation of taxable property in state to redeem and refund outstanding revenue bonds issued to finance buildings for higher education; to construct, improve, repair, equip and furnish projects for higher education that appear self-supporting; and to purchase or improve sites therefor. Authorizing annual ad valorem tax sufficient with revenues, gifts, grants or building fees, to pay indebtedness. Legislature to enact necessary legislation.

302 Yes
303 No

To the Board of Governors
The City Club of Portland:

Your committee was authorized to study and report on the above proposed amendment to the Oregon constitution.

Purpose of the Amendment

The purpose of this act is to redeem and refund current bonds which were issued by the State Board of Higher Education and make them general obligations of the State, in order to take advantage of lower interest rates which would then be available.
Scope of the Investigation

The committee first contacted the State Board of Higher Education, the sponsor of the act, and interviewed the Chairman of the Board and the Chairman of the Board’s Finance Committee, who supplied most of the information received concerning the need for the measure. Several legislators were questioned as to the arguments advanced in the legislature. Several civic groups, news magazines, school men and private individuals were asked for their comment, all of which were either non-committal or favorable.

Background

Oregon's state supported institutions of higher education are: Oregon State College at Corvallis, University of Oregon at Eugene with Medical and Dental Schools in Portland, Oregon College of Education at Monmouth, Eastern Oregon College of Education at La Grande, and Southern Oregon College of Education at Ashland. These institutions have shared the state's growth and have required recent expansion. Financing of academic, non-revenue-producing buildings — such as classrooms, laboratories, libraries, and administrative offices, has been met by legislative appropriation. In order to finance additional facilities, the State Board of Higher Education has issued bonds for the construction of revenue-producing buildings, such as dormitories, student centers, and athletic facilities, the revenue from which is pledged to pay off the bonds.

OUTSTANDING REVENUE OR SPECIAL FUND BOND ISSUE

STATE BOARD OF HIGHER EDUCATION

SEPTEMBER 1, 1950

<table>
<thead>
<tr>
<th>Title of Issue</th>
<th>Application of Bond Proceeds</th>
<th>Amount</th>
<th>Coupon Rates</th>
<th>Issue Date</th>
<th>Revenue Pledged for Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Ore. Col. of Ed. Women's Dorm. Bldg. Addition Bond</td>
<td>Construct and equip $150,000 Addition to Girls' Dorm.</td>
<td>$150,000</td>
<td>2¼% and 2½%</td>
<td>4-1-48</td>
<td>$6 per term student bldg. fee and net income of permanent dormitories</td>
</tr>
<tr>
<td>OSC Women's Dorm. Building Bond</td>
<td>Construct and equip $1,500,000 Girls' Dorm.</td>
<td>$1,500,000</td>
<td>2½%</td>
<td>5-1-47</td>
<td>Net income of permanent dormitories</td>
</tr>
<tr>
<td>OSC Pavilion Building Bond</td>
<td>Construct and equip $2,110,000 Coliseum</td>
<td>$2,110,000</td>
<td>3½%, 3⅔%</td>
<td>4-15-48</td>
<td>$5 per term student bldg. fee and rent at rate of $5 per student per term paid by Intercollegiate Athletic Board, a corp., for use of Coliseum</td>
</tr>
<tr>
<td>U. of O. Women's Dorm. Building Bond</td>
<td>Construct and equip $1,600,000 Girls' Dorm.</td>
<td>$1,600,000</td>
<td>2¼%, 3%</td>
<td>5-1-48</td>
<td>Net income of permanent dormitories</td>
</tr>
<tr>
<td>U. of O. Student Union and Athletic Facilities Bond</td>
<td>Construct and equip $1,300,000 Student Union and improve McArthur Ct. and Hayward Field</td>
<td>$1,300,000</td>
<td>2½%, 3½% 10-15-48</td>
<td>3½%</td>
<td>$5 per term student building fee and $2.25 per student per term from income of Union Bldg., McArthur Ct., and Hayward Field</td>
</tr>
</tbody>
</table>

TOTAL OF ISSUES.......................... $7,260,000

These bonds were sold privately without difficulty because the investments are sound, because the State Board of Higher Education has always met its obligations, and because people tend to feel that the State would stand behind the bonds even though not legally required to do so. If the State's credit were put behind these bonds, as the present measure would provide, they could be sold at interest rates about 1% lower. The actual rate would be a matter of time and circumstances, but for purposes of comparison, general obligation bonds of the State of Washington were recently issued for buildings at the University of Washington at a rate of 1.7%.

Results of Passage

The State Board will have to pay about $4,000,000 in interest charges over the life of the present bonds. As general obligations the interest would come to about $2,800,000,
a saving of about $1,200,000 over the life of the bonds. With an average remaining bond life of about seventeen years, this amounts to a saving of about $70,000 per year.

The only argument brought to the committee's attention which was at all negative was that, since additional taxing power would be granted, it might be used. Although a cursory reading of the proposed act or its ballot title might seem to indicate additional taxes, there appears little likelihood that they would be levied. Ordinarily taxes are pledged to meet the obligation of the State, but the projects for which these bonds will be issued will, presumably, all be self-supporting.

The limitation in the amount of such bonds is three-fourths of one per cent of the assessed valuation of taxable property in the state, currently about $12,000,000, which the State Board considers to be adequate.

Precedent can be found for such general obligation bonds in the Oregon Highway Bonds which, although general obligation bonds with the taxing power of the State behind them, have never required a tax levy to service them.

According to the State Board of Higher Education, no additional construction projects which might be financed by such bonds are currently contemplated, except the proposed stadium in Corvallis. The amendment provides they will be planned only if:

1. The needs of higher education in Oregon demand additional self-financing projects.
2. Income from the projects, conservatively estimated, provides more than sufficient income to meet the cost of principal and interest.
3. The bond issues are approved by the Legislature as provided by this amendment.

Conclusions

The effect of passage of this amendment would be to reduce the cost of higher education and therefore reduce the burden on the State Board of Higher Education, the student, or the tax payer.

Apparently all informed opinion endorses the amendment and opposition is practically nonexistent.

Recommendation

Your committee therefore recommends that the City Club go on record as favoring the passage of this proposed amendment.

Respectfully submitted,

FRANK BAUMAN
NATHAN BERKhAM
ANSON S. FROHMAN
MERLE MESHER
ERLING HUSTVEDT, Chairman

Approved September 6, 1950, by Ed F. Averill, Section Chairman, Legislation and Elections, for transmittal to the Board of Governors.

Received by the Board of Governors September 11, 1950, and ordered printed and submitted to the membership for discussion and action.