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Montana Voter's Guide to the 1990 Election

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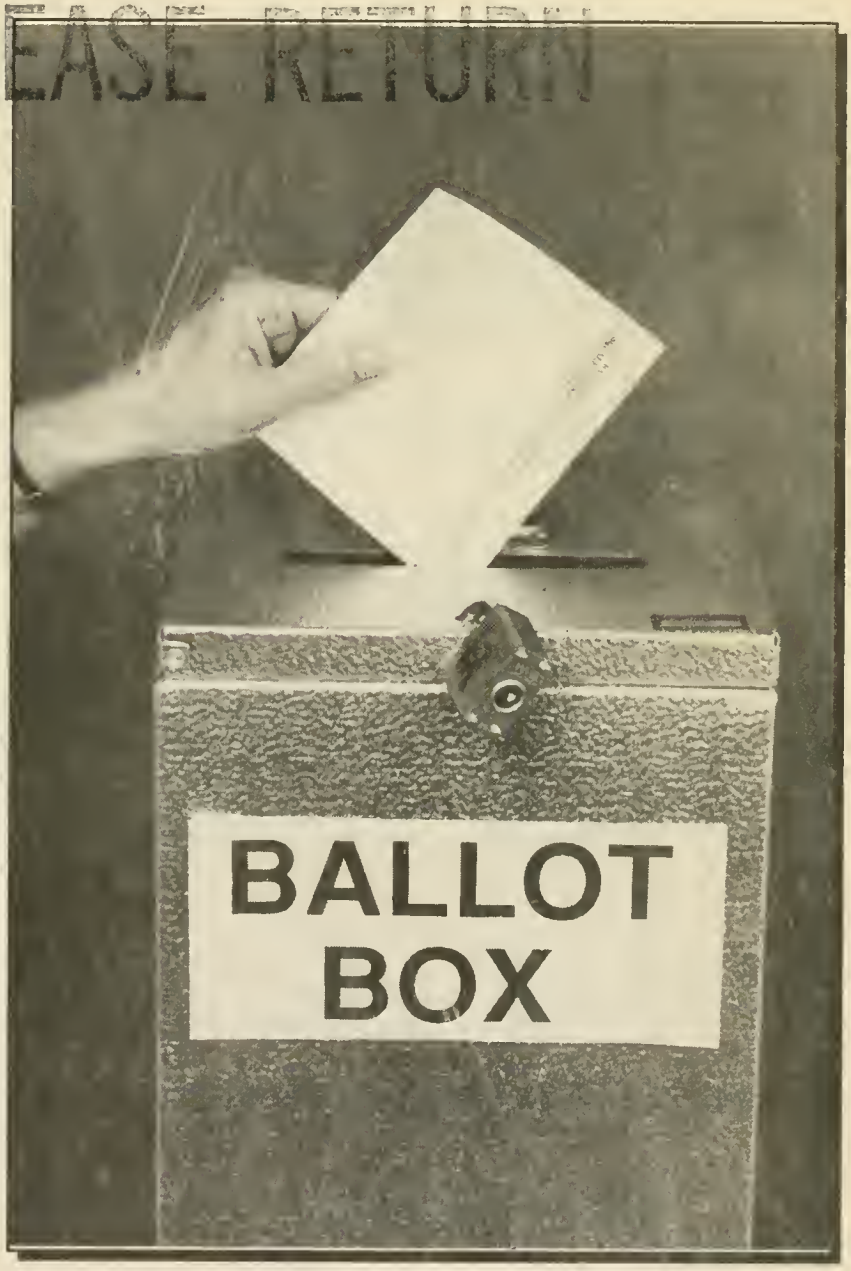

Published by Secretary of State Mike Cooney
State Capitol ▪ Helena, MT 59620

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Mike Cooney
Secretary of State

Montana State Capitol
Helena, MT 59620

Dear Montana Voter:

In Montana's first election of our second century, you will have the opportunity to vote on a number of important -- and even historic -- ballot proposals. I hope this guide will assist you in making an informed choice.

This year you will vote on whether to hold a state constitutional convention. It's the first time such a question has been posed to Montana voters since the current constitution was adopted in 1972. You'll also vote on several important constitutional amendment proposals, and an initiative to change state law.

The sponsors of these ballot proposals worked hard to place these issues before you. Now it's your turn to act.

You'll also be choosing your political leaders on the federal, state, district and county levels. A list of the offices to appear on the ballot is printed on page 4. Please take time to listen to the candidates so you will choose wisely.

We have expanded the content of the Voter Information Pamphlet this year. Included is information on what ballot issues are, how voting works and how to request an absentee ballot. While all registered voters were mailed this pamphlet, we have provided voter registration information in case you were not mailed this pamphlet, or if you have family or friends who would like to register to vote. The deadline for registering for the 1990 election is October 9th.

Finally, on the back of this pamphlet is a checklist to help you keep track of your choices. Feel free to take this pamphlet with you to the polls to help you vote.

See you at the polls November 6th!

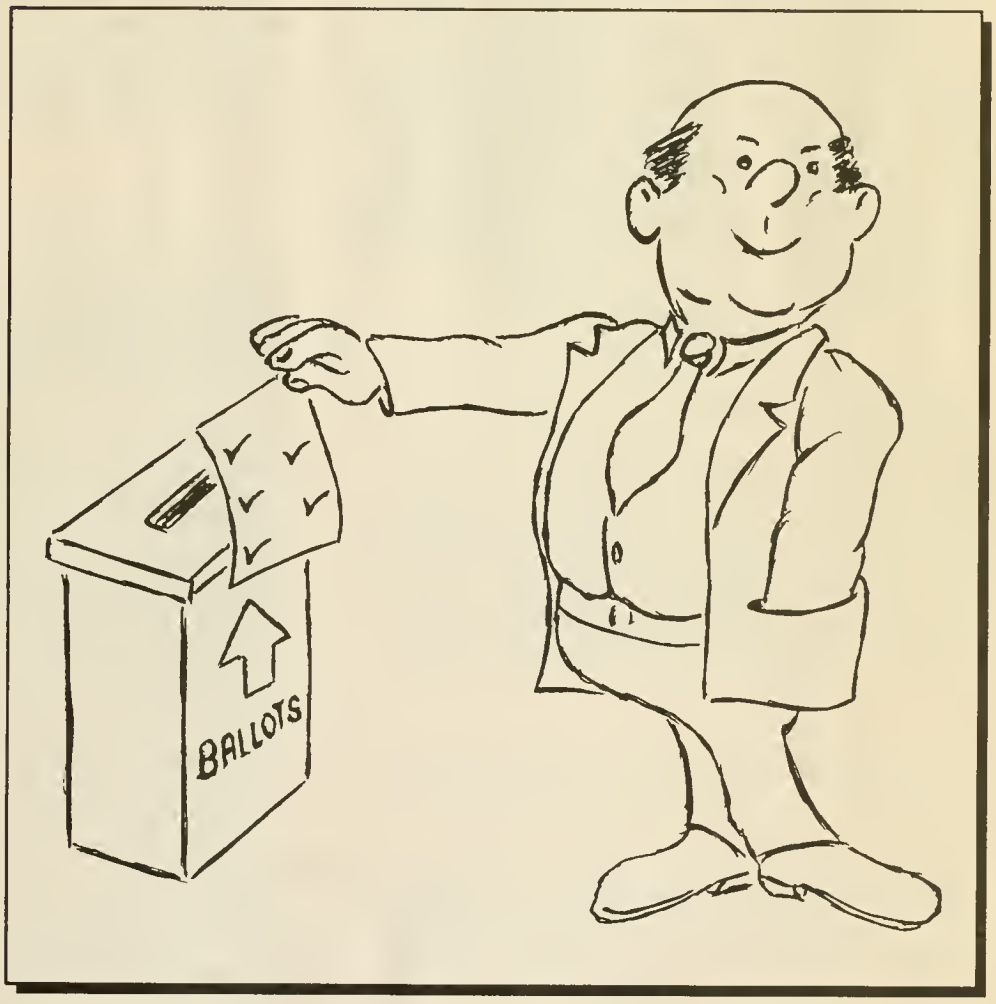
Sincerely,

Mike Cooney

Reception: (406) 444-2034 - Business Services Bureau: 444-3665 - Elections Bureau: 444-4732
Fax: 444-3976

Montana voter: This Voter Information Pamphlet tells you what issues and offices will be on the 1990 General Election ballot November 6th, and also provides information about how to register and vote.

For more information, contact your local election administrator (usually the clerk and recorder).



Cartoon by Jim Ross, Jr., Butte.
Cover photo by George Lane, Independent Record, Helena.

Explanation of ballot issues

At this election, you will vote on ballot issues that have different effects. One ballot issue, if passed, would require the Legislature to call a Montana constitutional convention. Two ballot issues would amend the current state Constitution. And the fourth ballot proposal would amend state law. Some proposals require a petition to be circulated and signed by Montana voters in order to appear on the ballot. Others do not. A brief explanation of the different types of ballot issues is below.

Constitutional Convention call

Montana held its most recent Constitutional Convention in 1972. The constitution drafted then, as modified by constitutional ballot proposals that passed, is in effect today. The constitution provides that the people be asked every twenty years whether to hold another constitutional convention. Since state law provides that the question must be on the ballot in 1990, no petitions were circulated to place this issue on the ballot. The ballot proposal, **Constitutional Convention Call 1**, will provide the first time since 1970 for Montana voters to decide whether to hold a constitutional convention.

Constitutional amendment referred by the Legislature

The Legislature may refer proposals to the people that would amend either the Montana Constitution or state law. The 1989 Legislature has referred **Constitutional Amendment 21** to a vote of the people. Issues referred by the Legislature appear on the ballot without the need of a petition.

Constitutional amendment referred by the people

Montana voters may seek changes in the Montana Constitution through the initiative process. Petitions are drawn up and circulated throughout the state. If the petition receives enough signatures, as determined by law, the proposed constitutional amendment is placed on the ballot for a public vote. **Constitutional Initiative 55** is a constitutional amendment proposed by initiative petition.

Statutory proposal referred by the people

Montana voters may also seek changes in state law through the initiative process. Again, petitions are drawn up and circulated, and the issue is placed on the ballot if sufficient proper signatures from Montana voters are gathered. Initiative petitions of this type change only state law, not the Montana Constitution. **Initiative 115** is an initiative petition that would change state law.

Offices on the ballot in 1990

A number of candidates will be seeking your vote this November. Offices on the ballot are listed below.

- one U. S. Senator (6-year term)
- two U. S. Representatives (Western and Eastern Districts, 2-year term)
- two Public Service Commissioners (1st and 3rd Districts, 4-year term)
- one Supreme Court Justice (8-year term)

District Court Judges in many counties are seeking 6-year terms. All state House seats are up for election in 1990, and half of the state Senate seats will be voted upon this year. Legislators in the House serve 2-year terms; state Senators serve 4-year terms. County elected officials (and in some counties, local ballot issues) will also be on the ballot.

Constitutional Convention Call 1

HOW THE ISSUE APPEARS ON THE BALLOT

Constitutional Convention Call 1

A call for a constitutional convention proposed by state statute

This proposal is submitted to the voters pursuant to the Montana Constitution, which requires that the voters must decide every 20 years whether to have a constitutional convention. If approved, a convention would be called at a date, time and place set by the Legislature for the purpose of preparing any revisions, alterations, or amendments to the Constitution agreed to by the convention delegates. Any amendments, alterations or revisions approved at the convention would then be submitted to the voters for ratification or rejection. Delegates to the convention would be elected by the voters in each legislative district.

FISCAL NOTE: Approval of the calling of a constitutional convention would require the Legislature to designate the time and place for the convention and to provide for pay of the members and other necessary expenses. The estimated cost of preparing for and conducting a 60-day constitutional convention would be approximately $1,343,700.

Article XIV, sections 3 and 4, of the Montana constitution requires the question of holding an unlimited constitutional convention to be submitted to the people at the general election in each 20th year following its last submission. If a majority of those voting on the question answer in the affirmative, the legislature shall provide for the calling thereof at its next session.

☐ FOR calling a constitutional convention

☐ AGAINST calling a constitutional convention

The Attorney General wrote the ballot title and explanatory statement above, as required by law. The fiscal note was prepared for the Attorney General by the Office of Budget and Program Planning.

The arguments and the rebuttals for and against the ballot proposal are printed here exactly as written by the committees preparing the arguments and rebuttals.

■ **The complete text of this proposal is on page 12.**

Argument FOR Constitutional Convention Call 1

No committee was appointed to write the argument for Constitutional Convention Call 1. Therefore, there is no argument or rebuttal FOR this ballot issue.

Argument AGAINST Constitutional Convention Call 1

Montana does not need a constitutional convention in 1992. The present 1972 Constitution has been operative only 20 years and is serving us well. No evidence exists that the people or government are prevented from expressing the will of the majority or that minority rights have been trampled on.

Some of the provisions have not worked as well as the delegates had hoped but we will never write a perfect document. And the Montana Bill of Rights, the Revenue and Finance Article, the Local Government Article, the Judicial Article--all remain some of the most progressive of any state in the union.

This OPPONENTS' argument was prepared by Senator Chet Blaylock, Laurel.

No rebuttal statement was prepared AGAINST this ballot issue because there is no argument FOR this issue.

Constitutional Amendment 21

HOW THE ISSUE APPEARS ON THE BALLOT

Constitutional Amendment 21

An amendment of the Constitution proposed by the Legislature

AN ACT AMENDING ARTICLE IV OF THE CONSTITUTION OF THE STATE OF MONTANA BY REQUIRING THAT A VALID ELECTION BE HELD ON PROPERLY QUALIFIED BALLOT ISSUES; AND PROVIDING THAT THE ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA.

This proposal, submitted to the voters by the Legislature, would amend the Montana Constitution to require that once an initiative or referendum qualifies for the ballot, if the election is declared invalid because it was improperly conducted, the measure must be placed on the ballot at the next regularly scheduled statewide election unless the Legislature orders a special election. It would also require the courts to give priority to any challenge to the procedures involving the qualification of an initiative or referendum for placement on the ballot or to the manner in which the election was conducted.

FISCAL NOTE: Passage of the constitutional amendment would not have any fiscal impact on state or local governments unless the Legislature orders a special election to be held for a particular ballot issue. The estimated cost of a statewide special election would be approximately $450,000.

☐ FOR requiring a valid and timely election on properly qualified initiatives and referendums.

☐ AGAINST requiring a valid and timely election on properly qualified initiatives and referendums.

The Legislature wrote the ballot title and the Attorney General wrote the explanatory statement, as required by law. The fiscal note was prepared for the Attorney General by the Office of Budget and Program Planning.

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■ The complete text of this proposal is on page 12.

Argument FOR Constitutional Amendment 21

Constitutional Amendment 21 will change the constitution of the State of Montana to allow the Secretary of State to place on the ballot, at the next statewide election, a properly qualified initiative or referendum that was declared invalid after the election.

Many times minority interests will try to find fault with an issue and occasionally they are successful. They should not be allowed to eliminate the efforts of the people who gathered signatures and properly placed the issue on the ballot. It is worse yet when the Montana people vote overwhelmingly for an issue and then it is thrown out on a technicality.

By voting for Constitutional Amendment 21, you will help eliminate the legal maneuvering that disallows the wishes of the Montana voters.

I urge your support of this Constitutional Amendment.

This PROPONENTS' argument and the rebuttal were prepared by Senator Tom Beck, Deer Lodge.

Argument AGAINST Constitutional Amendment 21

While the premise behind CA 21, that the right of the people to vote on a question should not be usurped by abuse of the judicial process, is an honorable one, as written, I think it undermines the present constitutional protection against abuse by the majority.

While admittedly improbable, if CA 21 were in place, it would be possible for a blatantly unconstitutional measure to be passed into law without the court being able to act. For example, if the white supremacist movement were somehow able to qualify for the ballot a measure which would deport all people of color from Montana, CA 21 would prevent any action against such a measure, prior to it being voted on. Now carry this theoretical possibility one step further and imagine such a measure passing. Imagine the chaos that would be created.

Few would argue that the people ought to be denied the right to decide on a question because it is technically flawed. However, as written, CA 21 goes beyond technical flaws to the point where it could displace constitutional protections. In matters as important as this, I think the cautious course of action is the prudent one, and I would therefore urge the rejection of CA 21 as it is presently written.

This OPPONENTS' argument and the rebuttal were prepared by Senator Paul Svrcek, Thompson Falls.

PROPONENTS' rebuttal of those opposing the issue

CI 30 was passed by the voters and it would have allowed the legislature to set limits on liability yet it was thrown out by the courts due to error in the information pamphlet. This error was unintentionally made but errors could be made deliberately to instigate judicial action nullifying the wishes of the voters.

CA 21 does not take away the right to challenge any issue on the ballot. It simply states that if challenges are made they have to be done in a timely manner. Delayed decisions by the courts can withhold issues from the ballot.

Also, an issue that was voted on by the people in a general election and passed but was declared invalid for procedural reasons after the election, will appear back on the ballot in its corrected form at the next statewide election.

This would help clean up the process.

OPPONENTS' rebuttal of those supporting the issue

Allowing the people to re-vote on an issue that has been rejected because of a technical flaw is one thing-- of course there ought to be provision in the law for such a contingency. Proceeding with a vote on an issue that is clearly unconstitutional is quite another matter. Unfortunately, as written, CA 21 makes no distinction between the two.

Protection of the minority, sometimes accomplished only through the legitimate use of the courts, is a constitutional protection as old as the Republic. As written, CA 21 represents a potentially serious erosion of this protection. Montanans have always been very cautious in messing about with their constitutional rights. CA 21 messes too much, ought to be judged with our traditional caution, and ultimately rejected.

I urge a no-vote on CA 21.

HOW THE ISSUE APPEARS ON THE BALLOT

Constitutional Initiative 55
An amendment of the Constitution proposed by initiative petition

This initiative would repeal Article VIII, sections 3, 4, 5, 6, and 7, Article XII, section 1(2), and part of Article XIII, section 2 of the Montana Constitution, concerning taxes and levies for state revenue. It would amend the Constitution to require that state government be funded by the assessment of a trade charge on every business and financial transaction conducted wholly or partially within the state. The charge would be based upon the gross value of such transactions. Income, property and sales taxes, as well as registration or license fees, would be prohibited.

FISCAL NOTE: Data are not available to estimate the revenue from the proposed trade charge levy. The Census Bureau estimates that revenue from the taxes proposed to be abolished amounted to $1.1 billion in fiscal year 1987.

☐ FOR amending the Montana Constitution to repeal existing taxes and to require state funding by assessment of a trade charge on business and financial transactions.

☐ AGAINST amending the Montana Constitution to repeal existing taxes and to require state funding by assessment of a trade charge on business and financial transactions.

The Attorney General wrote the ballot title and explanatory statement above, as required by law. The fiscal note was prepared for the Attorney General by the Office of Budget and Program Planning.

The arguments and the rebuttals for and against the ballot proposal are printed here exactly as written by the committees preparing the arguments and rebuttals.

■ The complete text of this proposal begins on page 12.

Arguments FOR Constitutional Initiative 55

"Montana is the land of big skies, and America is the land of big dreams!" These recent words of President Bush echo our feelings exactly. The dream of freedom is more alive under the big skies of Montana than anywhere else in the world. We're humbly grateful to God for this opportunity to offer our fellow Montanans the gift of freedom from arbitrary and discriminatory taxes.

There's no real freedom without the freedom to truly own one's home, farm, or business. CI-55 restores this freedom, along with the people's right to control the government revenue process. CI-55 equitably funds education and all state and local government services. Because our initiative requires all economic activity to share the revenue burden, it also raises enough money to eliminate all existing state debt.

CI-55 abolishes property and state income taxes, and prohibits retail or selective sales taxes, such as gasoline taxes. Registration, permit, and license fees for bona-fide Montana residents will also be abolished. Because these prohibitions will be part of our State Constitution, they cannot be overturned by legislative or judicial action.

CI-55 funds government with a one percent Trade Charge, applicable to all transactions in Montana. CI-55 leaves the definition of "transaction", as well as details of collection, to the Legislature. We think most reasonable people, including our legislators, will agree that transactions are "exchanges of value between two or more entities."

The Trade Charge, with repeal of existing taxes, will be effective July 1, 1991. This allows one full Legislative Session to choose the most appropriate collection mechanisms, plus two months to inform individuals and businesses about these rules. After eighteen months of operation, the trade charge rate will automatically be adjusted (most likely downward) to stabilize revenues at their Fiscal 1991 level, plus inflation, plus ten percent to help erase the state's currently anticipated budget deficit.

Trade Charge revenues will, of course, grow as Montana's economy grows. The removal of property and state income taxes will encourage job-creating investment in Montana, so we expect our state's economy to be the most vibrant in the nation after passage of CI-55. Nonetheless, in a statewide emergency, the voters may increase the Trade Charge percentage rate, but only with a 60 percent voted margin, and only for a period of five years or less.

With CI-55, Montanans will be the first people ever to control their government through the revenue process. We'll be setting an example of fairness and accountability for people to follow worldwide. Unfortunately, the newness of the Trade Charge concept permits those who benefit from the existing tax system to spread lots of speculative rumors about CI-55. We think voters who carefully examine our opponents' allegations will agree that arguments against CI-55 are even more applicable to Montana's existing tax system.

Taxes restrict economic progress; our CI-55 Trade Charge will stimulate and encourage economic activity. On November 6th remember: "Montana will thrive with 55!"

This PROPONENTS' argument and the rebuttal were prepared by Naomi Powell, Corvallis; Pete Schell, Hamilton, and Jennings Don Hurst, Hamilton.

Arguments AGAINST Constitutional Initiative 55

CI-55 proposes a tax system unlike that of any other state or any other taxing jurisdiction in the world. For Montana voters contemplating a leap in the dark by supporting it we offer some points we hope you will carefully consider.

Although incomplete and extremely vague for a proposed amendment to our state constitution, the proposed "trade charge" would tax all Montana business and financial transactions. It would apply to the sale of your home, to the sale of Girl Scout cookies, and yard sale transactions. The authors leave up to the legislature the task of providing the huge and expensive bureaucracy necessary to monitor and collect such a tax.

The pyramiding nature of the tax is alarming and unfair. Employers would withhold 1% from paychecks. The bank would take another 1% when checks are deposited, and an additional 1% for each check that is written. Depositors would lose 1% of their money when transferring from checking to savings accounts, and an additional 1% when money is moved again. All purchases, wholesale and retail, would be taxed. Those in business would pass the tax on in the form of higher prices. Those with no such option would end up paying a price inflated by the costs of all preceding transactions.

The "trade charge" would be administered entirely by the state. Local governments and school districts would be totally dependent on the state legislature for paying for local services. Local control of schools, counties and cities would no longer exist.

Because no one including its authors claim to know exactly how the "trade charge" would work, revenue predictions vary by hundreds of millions of dollars. A brochure promoting CI-55 states the "trade charge" would tax Montana people from $1.6 to 1.95 billion a year. An economist for the Federal Reserve Bank estimates CI-55 could result in a yearly tax bill as high as $4.35 billion. By comparison, all revenue collected from Montana state, county and city taxes in 1989 totaled $1.3 billion.

But in addition to whatever amount of tax money the "trade charge" would raise, if CI-55 passes, our federal income taxes would skyrocket. Now taxpayers can subtract the amount they pay in state income and property taxes from their income subject to tax. But there is no provision in the law for deducting a "trade charge". Consequently, the Legislative Fiscal Analyst estimates that with the enactment of CI-55 Montana people would pay an additional $70 million in income tax to the federal government.

The uncertainty that CI-55 would bring to public finance in Montana would surely deter sensible individuals and businesses alike from investing here. Many businesses would re-locate out of the state to avoid the "trade charges". Individuals would shop out of state to avoid such a regressive tax.

There is no doubt Montana's existing tax system could benefit from being revised and reformed. But CI-55 is extremist in its origin and totally impractical in it approach. It in no way adds up to sensible tax reform.

This OPPONENTS' argument and the rebuttal were prepared by Chase T. Hibbard, Helena; Representative John Vincent, Bozeman; Senator Bob Brown, Whitefish; Forrest H. Boles, Helena, and Dennis R. Lopach, Helena.

PROPONENTS' rebuttal of those opposing the issue

We think the opposition's arguments are quite applicable to existing taxes!

Who understands exactly how property taxes work? Can anyone at your courthouse tell you in August what your November tax bill will be? Most of us know only that this year's bill will be higher than last year's. Our property tax freeze (I-105) was thawed by House Bills 28 and 703!

HB 28 removed the last local control over school taxes. HB 703 revalued our homes with no appeals allowed. CI-55 restores tax control--not to school boards, city councils, or county commissioners, but to we the people ourselves!

CI-55 clearly defines Montana's revenue base. What could be simpler than collecting one percent on the sum of all checks written on your account? CI-55 directs the Legislature to equitably collect this revenue. Is it equitable to collect the Trade Charge on a person's paycheck, and again when the paycheck is deposited in that person's own checking account? We think not.

CI-55 repeals taxes that add high hidden costs to necessities like utilities and telephone service; it repeals taxes that drive job-creating business from Montana.

CI-55 opponents, who've not calculated Montana's total transactions themselves, doubt our revenue projections. Yet, they ignore the currently projected $234 million revenue shortfall.

What if CI-55 is rejected? Expect increased mandatory school levies, bogus property "revaluations", repeal of income tax indexing and deductions, and an add-on sales tax. Don't expect to get another ballot opportunity to return tax power to the people!

OPPONENTS' rebuttal of those supporting the issue

Proponents appeal to emotion instead of common sense. Like them, we love our state. Unlike them, we see no reason to adopt a tax that would make us the laughing-stock of the nation.

The only "meat" in the proponents' argument is a broad definition of "transaction." If transactions include all "exchanges of value between two or more entities," then the tax would apply to every check we write, to credit card purchases, credit card payments and even to barter.

It would apply to loans and mortgage payments. Farmers would pay on purchases of seed, fertilizer and machinery. The charge would apply again when crops and cattle were sold.

Basic family needs would cost more. CI-55 would tax medical bills, groceries and clothing.

If everyday transactions would be taxed, many people would engage in a "black market" or "underground" economy. Tax evaders would be rewarded, while honest Montana working people and businesses would pay the charge.

Decisions involving local budgets would be made by state government. Local governments and schools would be forced to approach the legislature, hat in hand, to seek all needed revenues. Finally, if the revenue estimates of CI-55 supporters are accepted, Montana taxpayers would begin this "era of freedom" by paying $300 million more in "trade charges" than we now pay in taxes. And that's before counting the additional $70 million we would owe in federal income tax! None of us knows how much we would pay if the "trade charge" scheme is adopted. Do you?

HOW THE ISSUE APPEARS ON THE BALLOT

Initiative 115
A law proposed by initiative petition

This initiative would increase the state sales tax on cigarettes from 18 cents to 43 cents per pack of 20 cigarettes, with a proportionate increase in packages containing more or less than 20 cigarettes. It would also increase the sales tax on other tobacco products from 12-1/2 percent to 25 percent of the wholesale price. Revenue raised as a result of the tax would be allocated between the long-range building program fund and a newly-established tobacco education and preventive health care fund. An appointed 11-member advisory council would be created in the Department of Health and Environmental Sciences.

FISCAL NOTE: Assuming the tax increase results in no decrease in taxable sales of cigarettes and tobacco products, cigarette tax revenue would increase $32 million and tobacco tax revenue $1.6 million in the 1992-93 biennium. Administrative costs of the advisory council and its staff would be paid from the tax revenues.

☐ FOR increasing the cigarette sales tax from 18¢ to 43¢ per pack of 20 cigarettes and on other tobacco products to 25% of wholesale price.

☐ AGAINST increasing the cigarette sales tax from 18¢ to 43¢ per pack of 20 cigarettes and on other tobacco products to 25% of wholesale price.

The Attorney General wrote the ballot title and explanatory statement above, as required by law. The fiscal note was prepared for the Attorney General by the Office of Budget and Program Planning.

The arguments and the rebuttals for and against the ballot proposal are printed here exactly as written by the committees preparing the arguments and rebuttals.

■ The complete text of this proposal begins on page 14.

Arguments FOR Initiative 115

Initiative 115 increases Montana's tobacco tax to establish a Tobacco Education and Preventive Health Care Fund, administered not by the legislature but by the Department of Health and Environmental Sciences. The money will be used solely for these purposes:

50% ($16.8 million per biennium) for community-based health education programs for youth;

30% ($10 million) for programs helping pregnant women and children, and treatment of tobacco related diseases;

6% ($2 million) for research on tobacco related diseases;

14% ($4.7 Million) for the above programs, or for fire prevention, environmental conservation, or damage restoration programs. A small amount would be used to administer the program, which includes a volunteer advisory council made up of citizens and professionals in the field of tobacco use, health care, and education.

No general fund money is needed to implement this program.

This initiative does not affect the current tobacco tax, 18 cents per pack and 12.5% on other forms of tobacco, which will continue to fund Montana's long-term building program fund.

Benefits of the Initiative:

1. New Revenue for preventive health programs. These programs have always been the first to be cut from the General Fund Budget. But they save the state many times their costs.

For example, there is no question that smoking is a major, preventable cause of premature and low birthweight babies. Prenatal care (for pregnant women) helps prevent premature and low birthweight babies. Every dollar spent on prenatal care saves $3.31 in treatment for these babies, in the first year alone. Preventing premature babies also saves the public money for years to come, since many of these sick babies end up needing welfare and medicaid.

These grants could raise an additional $25.5 million for health care in Montana, because the Federal Medicaid program will match every qualified state dollar with $2.55 in federal funds.

2. New Revenue for Local Programs. Grants from the fund will be available to local school districts, fire districts, community clinics and community-based organizations with effective projects in health education, environmental conservation, fire prevention, and damage restoration.

3. Decrease in smoking: Tobacco addiction usually begins in the teenage years. Based on respected national studies, Montana's increased tobacco tax will cause a 21.5% drop in the number of new teenage smokers each year, and convince 15.4% of current smokers to quit. In numbers, 500 fewer teens will start smoking each year, and 1600 teens and 15,000 adults will quit. Initiative 115 will also discourage the use of other tobacco products.

Passing this initiative will help your children "say no to tobacco."

4. Health savings: Tobacco smoke is the #1 cause of preventable death. Applying national figures to Montana, tobacco costs Montanans 1500 lives and $253 million per year in health care and lost job productivity. This hidden cost amounts to $3.51 per pack, paid not by the smoker but by all of us: taxpayers, business owners, consumers, hospital patients, insurance policy holders and property owners.

This PROPONENTS' argument and the rebuttal were prepared by Robert Shepard, M.D., Helena; Michael Priddy, M.D., Missoula, and Paulette Kohman, Helena.

Arguments AGAINST Initiative 115

Initiative 115 will increase excise taxes, increase government spending when Montana faces an enormous budget deficit, and increase bureaucracy in state and county government. I-115 is sponsored by special interest groups who want other people to pay for their programs, and they want the people who can least afford it to get stuck with their bill. This measure is based on the contradictory claims of increased revenues from decreased sales, a lack of logic that not only jeopardizes the proponents' plans but current programs as well. I-115 is poorly conceived, unfair, and unworthy of your support.

Vote "AGAINST" Initiative 115 because:

I-115 creates new government-spending programs that will cost Montanans another $34 million when the state already faces a $60 to $100 million budget deficit. We can not afford new programs and more bureaucracy when Montana is hard pressed to fund its current programs and existing obligations.

I-115 could add hundreds of bureaucrats to state and county government so they can "administer" these new programs. The Department of Health & Environmental Sciences alone will receive an outlandish $4.7 million for administration and whatever projects the Department and its advisory commission choose to fund at their discretion.

I-115 pushes the state excise tax on cigarettes up by 140% -- from 18 cents to 43 cents per pack -- and increases the state excise tax on other tobacco products by 100%. These exorbitant and unfair tax increases are regressive, hitting low income families the hardest and saddling Montanans with tobacco taxes that are twice the national average.

I-115 increases Montanans' tax burden by $34 million in extra excise taxes, with none of it going for tax relief. I-115 provides no tax reform -- just new taxes and new government spending. I-115 does not solve Montana's tax dilemma, but it will create new tax problems, because . . .

I-115 threatens Montana's ability to fund the state's veterans nursing homes and its long-term building program. Together, these programs depend on 83% of the revenues currently provided by the state's existing tax on tobacco. However, excise tax increases like I-115 historically have led to decreased taxable sales as consumers make purchases from less expensive outlets. This loss of revenue will be even more likely in Montana because there is easy access to Indian reservations where there is no state tax collected on tobacco -- a savings of $4.30 per carton under I-115. Neighboring states will also offer considerably lower prices. In fact, it is estimated that at present 22% of the cigarettes used in Montana are untaxed, and punitive measures like I-115 will only drive this tax loss higher. I-115 will result in insufficient tax revenues to support present commitments and the proponents' new programs.

I-115 is bad tax policy.

I-115 sets a dangerous tax precedent.

I-115 encourages tax-and-spend government.

We urge you to vote "AGAINST" Initiative 115.

This OPPONENTS' argument and the rebuttal were prepared by Steve Buckner, Bozeman; Representative Barry "Spook" Stang, St. Regis; C. Eugene Phillips, Kalispell; Jerome Anderson, Helena, and John W. Mahan, Helena.

PROPONENTS' rebuttal of those opposing the issue

The opposition's statement is inaccurate and misleading. For example:

Will I-115 increase bureaucracy? I-115 will indeed foster new employment statewide. But state administrative costs are only a fraction of the "$4.7 million," which is also earmarked for fire prevention and other programs ignored by the opposition. A detailed budget must be approved and appropriated before any staff is hired.

Are other funds endangered? The veterans' nursing home project, a one-time appropriation, ends before I-115 takes effect next July, and is unaffected. Decreased smoking has already affected revenue to the building fund; with or without I-115, this trend will continue.

Will I-115 cause tax avoidance? In California, there is no evidence smokers crossed state lines to avoid a similar tax. In Montana, although reservations are easily accessible, cigarettes sold there are not simply exempt from tax; all sales to non-Indians are fully taxable.

Is I-115 Regressive? Cigarette taxes affect only those who smoke. Any regressive effects are due to a tobacco marketing campaign which targets low-income groups, encouraging and exploiting their addiction to a harmful drug.

Is I-115 a "Special Interest" Initiative? I-115 is supported by health professionals, consumers and concerned citizens who live and work in Montana. The opposition is "tobacco consumers, distributors and producers." Tobacco interests, centered in Southeastern tobacco-growing states, have no interest in Montana's welfare. Their only motive in opposing I-115 is profit.

You decide where the "special interests" lie.

Consider the source when someone tries to influence your vote.

Vote for Montana. Vote for I-115.

OPPONENTS' rebuttal of those supporting the issue

Proponents of I-115 disguise the fact that I-115 provides new taxes for new government programs to hire more bureaucrats when Montana faces a $60,000,000 to $100,000,000 deficit and cannot pay for the programs the state now has. I-115 is a special interest giveaway that is labeled a health initiative.

The $34,000,000 to be spent over the biennium by the Department of Health is four times more state money than the legislature provided to run that agency for the same period. No government agency should be handed so much extra money to spend with so little control over its use.

Proponents argue that "a small amount would be used to administer the program." In fact, a total $4,700,000 is set aside, under the provisions of I-115, to spend for administrative costs if the Department of Health and the appointed advisory council choose to use it. What would you expect a government agency to do if given that opportunity?

Proponents argue that current tobacco tax revenues used to fund the long-range building program--including building programs at the University System and veteran's nursing facilities--will not be affected by I-115. In fact, proponents' goal of reduced tobacco sales would clearly reduce those revenues, thus jeopardizing the long-range building program. Any shortfalls in this revenue would have to be made up by all tax-payers from income, property, and other taxes.

I-115 doesn't provide responsible spending of tax dollars--just more money for special interests and more bureaucracy.

Complete text of proposed ballot issues

CONSTITUTIONAL CONVENTION CALL 1

Article XIV, sections 3 and 4, of the Montana constitution requires the question of holding an unlimited constitutional convention to be submitted to the people at the general election in each 20th year following its last submission. If a majority of those voting on the question answer in the affirmative, the legislature shall provide for the calling thereof at its next session.

☐ FOR calling a constitutional convention

☐ AGAINST calling a constitutional convention

CONSTITUTIONAL AMENDMENT 21

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Article IV of The Constitution of the State of Montana is amended by adding a new section 7 that reads:

Section 7. Ballot issues -- challenges -- elections. (1) An initiative or referendum that qualifies for the ballot under Article III or Article XIV shall be submitted to the qualified electors as provided in the Article under which the initiative or referendum qualified unless a new election is held pursuant to this section.

(2) A preelection challenge to the procedure by which an initiative or referendum qualified for the ballot or a postelection challenge to the manner in which the election was conducted shall be given priority by the courts.

(3) If the election on an initiative or referendum properly qualifying for the ballot is declared invalid because the election was improperly conducted, the secretary of state shall submit the issue to the qualified electors at the next regularly scheduled statewide election unless the legislature orders a special election.

Section 2. Submission to electorate. The amendment set forth in section 1 shall be submitted to the qualified electors of Montana at the general election to be held in November 1990 by printing on the ballot the full title of this act and the following:

☐ FOR requiring a valid and timely election on properly qualified initiatives and referendums.

☐ AGAINST requiring a valid and timely election on properly qualified initiatives and referendums.

CONSTITUTIONAL INITIATIVE 55

BE IT ENACTED BY THE PEOPLE OF THE STATE OF MONTANA:

Section 1. Repealer. Article VIII, sections 3,4,5,6, and 7, and Article XII, section 1(2), of the Constitution of the State of Montana are repealed.

Section 2. Article VIII of The Constitution of the State of Montana is amended by adding a new section 3 that reads:

Section 3. Revenue Base. (1) The public service functions of the state and its subdivisions shall be funded by a trade charge levied on the gross value of every business and financial transaction conducted wholly or partially within the state. There shall be no exceptions to or exemptions from the trade charge except where previously established by the U.S. Constitution.

(2) From July 1, 1991, through December 31, 1992, the trade charge levy shall be one percent (1%) of gross value. On January 1, 1993, and thereafter, the trade charge percentage levy shall be determined by dividing fiscal year 1991 revenues from the abolished taxes specified in Subsection (3), as adjusted by the official state inflation factor for 1992, by the total transactions revenue base for fiscal year 1992, and multiplying this quotient by 1.1.

(3) The levying of taxes or assessments on income or real or personal property, retail or other selective sales taxes, and all registration, permit, or license fees of any kind for bona fide businesses or residents of Montana are expressly prohibited after June 30, 1991. This prohibition does not restrict acceptance of any form of revenue from the United States government.

(continued on next page)

CONSTITUTIONAL INITIATIVE 55 -- continued

(4) The people of the state may, upon the approval of at least sixty percent (60%) of all voters voting in a general election, increase for a period not to exceed five (5) years the trade charge percentage rate imposed upon them.

(5) The legislature shall:

(a) enact laws to administer the equitable collection and enforcement of the trade charge;

(b) ensure that all lawful debts of the state and its subdivisions owed prior to November 6, 1990, are retired in a timely manner using trade charge revenue;

(c) enact laws for the equitable distribution of remaining trade charge revenue among state agencies, local governments, school districts, and other subdivisions of the state; and

(d) enact laws to ensure that, after November 6, 1990, no indebtedness shall be incurred by any state agency or by any political subdivision of the state unless provision is made for retirement of the debt using trade charge revenue.

Section 3. Article XIII, section 2, of The Constitution of the State of Montana is amended to read:

Section 2. Consumer counsel. The legislature shall provide for and fund an office of consumer counsel which shall have the duty of representing consumer interests in hearings before the public service commission or any successor agency. ~~The legislature shall provide for the funding of the office of consumer counsel by a special tax on the net income or gross revenue of regulated companies~~.

Section 4. Severability. If any section, part, clause, or phrase herein is for any reason held to be unconstitutional, the remaining sections shall not be affected but will remain in full force and effect.

Section 5. Effective Date: If approved by the electorate, this act is effective November 6, 1990.

Below are the sections of the Montana Constitution proposed for deletion by Constitutional Initiative 55. This text is provided by the Secretary of State for informational purposes only; the text is not part of CI-55.

ARTICLE VIII REVENUE AND FINANCE

Section 3. Property tax administration. The state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

Section 4. Equal valuation. All taxing jurisdictions shall use the assessed valuation of property established by the state.

Section 5. Property tax exemptions. (1) The legislature may exempt from taxation:

(a) Property of the United States, the state, counties, cities, towns, school districts, municipal corporations, and public libraries, but any private interest in such property may be taxed separately.

(b) Institutions of purely public charity, hospitals and places of burial not used or held for private or corporate profit, places for actual religious worship, and property used exclusively for educational purposes.

(c) Any other classes of property.

(2) The legislature may authorize creation of special improvement districts for capital improvements and the maintenance thereof. It may authorize the assessment of charges for such improvements and maintenance against tax exempt property directly benefitted thereby.

Section 6. Highway revenue non-diversion. (1) Revenue from gross vehicle weight fees and excise and license taxes (except general sales and use taxes) on gasoline, fuel, and other energy sources used to propel vehicles on public highways shall be used as authorized by the legislature, after deduction of statutory refunds and adjustments, solely for:

(a) Payment of obligations incurred for construction, reconstruction, repair, operation, and maintenance of public highways, streets, roads, and bridges.

(b) Payment of county, city, and town obligations on streets, roads, and bridges.

(c) Enforcement of highway safety, driver education, tourist promotion, and administrative collection costs.

(2) Such revenue may be appropriated for other purposes by a three-fifths vote of the members of each house of the legislature.

Section 7. Tax appeals. The legislature shall provide independent appeal procedures for taxpayer grievances about appraisals, assessments, equalization, and taxes. The legislature shall include a review procedure at the local government unit level.

ARTICLE XII DEPARTMENTS AND INSTITUTIONS

Section 1. Agriculture. (2) Special levies may be made on livestock and on agricultural commodities for disease control and indemnification, predator control, and livestock and commodity inspection, protection, research, and promotion. Revenue derived shall be used solely for the purposes of the levies.

■ *Complete text of ballot issues continues on next page, with Initiative 115*

INITIATIVE 115

BE IT ENACTED BY THE PEOPLE OF THE STATE OF MONTANA:

Section 1. Section 16-11-111, MCA, is amended to read: "**16-11-111. Cigarette sales tax.** There is ~~hereby~~ levied, imposed, and assessed and there ~~shall~~ must be collected and paid to the state of Montana upon cigarettes sold or possessed in this state the following excise tax ~~which shall~~ that must be paid prior to the time of sale and delivery of cigarettes: ~~18~~ 43 cents on each package containing 20 cigarettes and, when packages contain more or less than 20 cigarettes, ~~then~~ a tax on each cigarette equal to 1/20th the tax on a package containing 20 cigarettes."

Section 2. Section 16-11-119, MCA, is amended to read:

"**16-11-119. Disposition of taxes -- retirement of bonds.** All ~~moneys~~ money collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by ~~said section, shall~~ 16-11-111, must be paid to the state treasurer and deposited as follows:

(1) ~~70.89%~~ 29.67% in the long-range building program fund in the debt service fund type; ~~and 29.11%~~

(2) 12.19% in the long-range building program fund in the capital projects fund type~~.~~; and

(3) 58.14% in the tobacco education and preventive health care fund account in the state special revenue fund."

Section 3. Section 16-11-202, MCA, is amended to read:

"**16-11-202. Tax on sale of tobacco other than cigarettes -- imposed on retail consumer -- rate of tax.** (1) All taxes paid pursuant to the provisions of this section ~~shall be exclusively~~ are conclusively presumed to be direct taxes on the retail consumer, precollected for the purpose of convenience and facility only. When the tax is paid by any other person, ~~such~~ the payment ~~shall be~~ is considered as an advance payment and ~~shall be~~ is added to the price of tobacco products, other than cigarettes, and recovered from the ultimate consumer or user. Any person selling tobacco products, other than cigarettes, at retail shall state or separately display in the premises where ~~such~~ the products are sold a notice of the tax included in the selling price and charged or payable pursuant to this section. The provisions of this section shall in no way affect the method or collection of ~~such~~ the tax as ~~hereinafter~~ provided in this part.

(2) There is ~~hereby~~ levied, imposed, and assessed upon tobacco products, other than cigarettes, sold or possessed in this state and there ~~shall~~ must be collected and paid to the state of Montana a tax of ~~12 1/2%~~ 25% of the wholesale price of ~~such~~ the products to the wholesaler~~, excepting therefrom such products as may be~~. Products that are shipped from Montana and destined for retail sale and consumption outside the state of Montana are exempt from the tax."

Section 4. Section 16-11-206, MCA, is amended to read:

"**16-11-206. Wholesaler's discount -- disposition of taxes.** (1) The taxes specified in this part that are paid by the wholesaler ~~shall~~ must be paid to the department in full, less a 5% defrayment for his collection and administrative expense ~~and shall be deposited by the department in the long-range building program debt service fund~~. Refunds of the tax paid ~~shall~~ must be made as provided in 15-1-503 in cases where the tobacco products purchased become unsalable.

(2) Revenue from the tax on tobacco products, other than cigarettes, must be deposited by the department as follows:

(a) 50% to the long-range building program debt service fund; and

(b) 50% to the tobacco education and preventive health care fund account, provided for in {section 6}."

Section 5. Section 17-5-408, MCA, is amended to read:

"**17-5-408. Percentage of income, corporation license, and cigarette tax pledged.** (1)(a) The state pledges and appropriates and directs to be credited as received to the debt service account 9.8% for fiscal year 1990 and 8.7% for fiscal year 1991 of all money received from the collection of the individual income tax, ~~and~~ 11% for fiscal year 1990 and 10.5% for fiscal year 1991 of all money, except as provided in 15-31-702, received from the collection of the corporation license and income tax as provided in 15-1-501, and ~~such~~ an additional amount of ~~said~~ those taxes, if any, as may at any time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(4).

(b) No more than the percentages described in subsection (1)(a) of ~~such~~ those tax collections may be pledged for the purpose of 17-5-403(2). The pledge and appropriation ~~herein~~ made ~~shall be~~ in this section are and remain at all times a first and prior charge upon all money received from the collection of ~~said~~ those taxes.

(2) The state pledges and appropriates and directs to be credited to the debt service account ~~70.89%~~ 29.67% of all money received from the collection of the excise tax on cigarettes ~~which~~ that is levied, imposed, and assessed by 16-11-111. The state also pledges and appropriates and directs to be credited as received to the debt service account 50% of all money received from the collection of the taxes on other tobacco products, which taxes are or may ~~hereafter~~ be levied, imposed,

(continued next page)

INITIATIVE 115 -- continued

and assessed by law for that purpose, including the tax levied, imposed, and assessed by 16-11-202. Nothing ~~herein shall impair~~ in this section impairs or otherwise ~~affect~~ affects the provisions and covenants contained in the resolutions authorizing the presently outstanding long-range building program bonds. Subject to the provisions of the preceding sentence, the pledge and appropriation ~~herein~~ made ~~shall be~~ in this section are and remain at all times a first and prior charge upon all money received from the collection of all taxes referred to in this subsection ~~(2)~~."

NEW SECTION. **Section 6. Account established -- administration.** There is a tobacco education and preventive health care fund account in the state special revenue fund. The director of the department of health and environmental sciences shall administer the fund in consultation with the tobacco education and preventive health care advisory council provided for in {Section 7}. Money deposited in the tobacco education and preventive health care fund account may be used for the following purposes only:

(1) at least 50% must be allocated to grants to school districts, community clinics, community-based organizations, colleges and universities, volunteer health agencies, local health departments, hospitals, and similar organizations, for the purpose of establishing community-based health education programs focusing on youth under age 21;

(2) at least 6% must be allocated to grants to public or private organizations for research on tobacco-related health consequences;

(3) at least 30% must be allocated to grants to public or private programs providing prenatal and perinatal care and education or treatment of tobacco-related illnesses; and

(4) the remainder may be allocated to administrative costs, additional funding for grants described in subsections (1) through (3), or for grants to public or private programs concerned with fire prevention, environmental conservation, or damage restoration.

NEW SECTION. **Section 7. Advisory council -- composition -- duties.** (1) There is a tobacco education and preventive health care advisory council for the purposes described in subsection (3)(c).

(2) The council is comprised of the following 11 members:

(a) two representatives of voluntary health organizations dedicated to the reduction of tobacco use;

(b) two education professionals;

(c) two health care professionals;

(d) one university system representative, with expertise in programs intended to reduce tobacco use;

(e) one representative of the department of health and environmental sciences;

(f) one representative of the office of public instruction;

(g) one representative of a student association; and

(h) one representative of the general public, with a demonstrated interest in tobacco education and preventive health care.

(3)(a) Members of the council are appointed by the governor, six members for initial 2-year terms and five members for initial 1-year terms. At the expiration of each initial term of office, each member on the council shall serve a 2-year term. Individual members may be reappointed for a second term of office, but may not serve more that two consecutive terms on the council.

(b) Members of the council are entitled to compensation for travel and per diem as provided for under 2-18-501 through 2-18-503.

(c) The duties of the advisory council are to:

(i) meet at least quarterly or at the request of the director of the department of health and environmental sciences;

(ii) recommend to the director guidelines for administration of the tobacco education and preventive health care fund established in {Section 6};

(iii) review applications for grants from the tobacco education and preventive health care fund and make recommendations for awarding grant funds; and

(iv) review grantee reports and project assessments and recommend further action to the department.

NEW SECTION. **Section 8. Rulemaking Authority.** The department of health and environmental sciences may adopt rules to administer the tobacco education and preventive health care fund, including but not limited to the following:

(1) establishing procedures and time frames for the awarding of grant funds;

(2) setting priorities and standards for allocating grant funds among grant applicants; and

(3) evaluating grant projects.

NEW SECTION. **Section 9. Severability.** If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 10. Effective date.** This act is effective July 1, 1991.

NEW SECTION. **Section 11. Codification instruction.** Sections 6 and 7 are intended to be codified as an integral part of Title 50.

What do I do when I get to the polls?

Voting is a simple procedure. There will be several people (called "election judges") at the polls to assist you.

Give your name to the first election judge. The judges will find your name on the list, and ask you to sign your name. Sign your name as it is listed in the book. You will then be given a ballot and directed to a voting booth.

Vote your choices for candidates and ballot issues and return your ballot to the election judge at the ballot box. The judge will place the voted ballot in the ballot box as you watch. That's all there is to it!

What if I can't vote on election day?

You can vote an absentee ballot if you can't get to the polls on election day because you 1) expect to be absent from your precinct or county on election day, 2) are physically incapacitated, 3) suffer from chronic illness or general ill health or 4) have a health emergency between 5 p.m. on Nov. 2 and noon on election day.

To receive an absentee ballot, write to your county election administrator (usually the clerk and recorder), stating that you need an absentee ballot and giving your reason. Absentee ballots may be requested starting Sept. 24 and ending on noon the day before the election.

If you have a sudden health emergency as in 4) above, you may contact the clerk and recorder and request a ballot until noon on election day. One will be provided to you.

Can I check if I'm registered to vote?

If you have received this Voter Information Pamphlet in the mail, you are probably registered to vote. If you did not receive this in the mail, or if you want to check on your registration, call your county election administrator.

Remember, you must have voted in the last presidential election (in 1988) or have registered since then to still be on the voter registration list.

What if I'm not registered, or I know someone who wants to register to vote?

If you or someone you know is not registered, register by Oct. 9 and you (or they) can still vote in November. Call or visit your county election administrator or the Secretary of State for a voter registration card.

Anyone who, on election day, is a U.S. citizen, at least 18 years old and a resident of Montana and the county for 30 days may register to vote. (However, convicted felons serving a sentence in a penal institution or individuals determined by a court to be of unsound mind may not register to vote.)

The voter registration card must be completed and signed before a witness before being turned in to the county election administrator. The witness can be another registered voter in your county, a notary public in the county, a deputy registrar or election administrator (the clerk and recorder).

Mark your choices and take this with you on election day.

	FOR	AGAINST
Constitutional Convention Call 1	☐	☐
Constitutional Amendment 21	☐	☐
Constitutional Initiative 55	☐	☐
Initiative 115	☐	☐

Additional copies of this Voter Information Pamphlet are available upon request from your county Clerk and Recorder or the Secretary of State.

COUNTY ELECTION ADMINISTRATOR
County Courthouse

DO NOT FORWARD

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