

# DEBRA BOWEN

## CALIFORNIA SECRETARY OF STATE NEWS RELEASE

DB12:030

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### Government Spending Initiative Enters Circulation

#### *Government Spending Limits. Initiative Constitutional Amendment.*

**SACRAMENTO** – Secretary of State Debra Bowen today announced that the proponents of a new initiative may begin collecting petition signatures for their measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponents and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponents and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for the measure is as follows:

**GOVERNMENT SPENDING LIMITS. INITIATIVE CONSTITUTIONAL AMENDMENT.** Resets state spending limit to fiscal year 2010-11 level. Requires state and local governments spend tax revenue exceeding limit to repay debt when debt is 5% or more of their spending limit. When state debt is less than 5% of state spending limit, splits excess revenue between schools and budget reserves or taxpayer refunds, depending on amount. When local government debt is less than 5% of applicable spending limit, returns excess revenue to taxpayers. Requires constitutional amendment to change terms. Forecloses Legislature's imposition, authorization, or submission to voters of tax increase absent two-thirds vote. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **For state government, a much greater likelihood that spending will be constrained by the constitutional spending limit. Consequently, state spending for ongoing programs—such as schools, community colleges, universities, health and social services, and corrections—may have to be reduced in certain years, potentially by billions of dollars. In addition, the measure could result in more state funding for reduction of bond debt, particularly in the near term, and in the future, more one-time funding for schools and community colleges, budget reserves, and taxpayer refunds.** (11-0092)

The Secretary of State's tracking number for this measure is 1567 and the Attorney General's tracking number is 11-0092.

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The proponents for this measure, Steven S. Lucas and Thomas W. Hiltachk, must collect signatures of 807,615 registered voters – the number equal to eight percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponents have 150 days to circulate petitions for this measure, meaning the signatures must be collected by July 6, 2012.

The initiative proponents can be reached at (415) 389-6800.

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