



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE NEWS RELEASE

DB12:073

FOR IMMEDIATE RELEASE

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CONTACT: Shannan Velayas
(916) 653-6575

Oil and Natural Gas Tax Initiative Enters Circulation

*Tax on California Oil and Natural Gas.
Revenues to California Taxpayers. Initiative Statute.*

SACRAMENTO – Secretary of State Debra Bowen today announced that the proponent of a new initiative may begin collecting petition signatures for his 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 proponent and to the Secretary of State, and the initiative may be circulated for signatures. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials. The Attorney General's official title and summary for the measure is as follows:

TAX ON CALIFORNIA OIL AND NATURAL GAS. REVENUES TO CALIFORNIA TAXPAYERS. INITIATIVE STATUTE. Imposes 25% tax on value of oil and natural gas extracted in California. Distributes \$380 annually to California taxpayers earning \$95,000 or less. Distributes additional \$50 to California residents over 65 who are U.S. citizens and registered to vote. Specifies record-keeping, monitoring, and reporting requirements for hydraulic fracturing, an extraction technique involving pressurized injection of water and chemicals underground. Increases criminal and civil penalties for violations of laws governing oil and gas well operations, inspections, and reports. Prohibits passing tax on to consumers through higher fuel prices. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Annual state revenue of \$3 billion to \$7 billion (depending on oil prices) from new severance tax to fund approximately \$5 billion of payments to individuals. The measure does not specify what would happen if available severance tax funds are insufficient to make the required payments. Decreased collections of various other state and local revenues totaling tens of millions or a few hundred million dollars per year due to financial changes related to the severance tax. This potentially could be offset by increases in some other revenues. Increased state administrative costs of several million dollars annually to administer this measure. These costs would be paid from the revenues of the oil severance tax and the increased fines in this measure.** (12-0014.)

The Secretary of State's tracking number for this measure is 1586 and the Attorney General's tracking number is 12-0014.

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The proponent for this measure, Robert T. Nast, must collect signatures of 504,760 registered voters – the number equal to five percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by November 19, 2012.

The initiative proponent can be reached at (805) 984-5147.

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