



# NEWS RELEASE

## CALIFORNIA SECRETARY OF STATE

05:021

FOR IMMEDIATE RELEASE  
Friday, March 11, 2005

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### **Two Proposed Initiatives Enter Circulation**

1. *K-12 Education. Funding. Commercial Property Taxes. Initiative Statute and Constitutional Amendment*
2. *Funding K-12 Education. Commercial Property Taxes. Initiative Statute and Constitutional Amendment.*

SACRAMENTO --- Proponents of two proposed initiatives have received clearance to begin collecting petition signatures for their measures, the Secretary of State's Office announced today.

The Attorney General's official titles and summaries are as follows:

#### **K-12 EDUCATION. FUNDING. COMMERCIAL PROPERTY TAXES. INITIATIVE STATUTE AND CONSTITUTIONAL AMENDMENT.**

Provides additional funding for kindergarten through grade 12. Funds provided by 0.03% increase in commercial real property tax. Excludes commercial residential rental property. Creates Fund in State Treasury. Fund use restricted to: reducing class size; purchasing textbooks, instructional items; providing teacher salaries, benefits, training. Prohibits use of Fund monies to pay administrative costs. Requires Legislature to set penalties for school district administrators' misuse of Fund monies. Requires annual audit by school districts. Provides small business personal property tax exemption. Reimburses state/local government to offset revenue decrease.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Additional property tax revenues of about \$3 billion annually, beginning in 2006-07. These revenues would be used for specified K-12 education purposes (\$2.5 billion) and to backfill state revenue losses and provide targeted property tax relief (\$500 million).

#### **FUNDING K-12 EDUCATION. COMMERCIAL PROPERTY TAXES. INITIATIVE STATUTE AND CONSTITUTIONAL AMENDMENT.**

Provides additional funding for kindergarten through grade 12. Funds provided by 0.50% increase in commercial real property tax. Excludes commercial residential rental property. Creates Fund in State Treasury. Fund use restricted to: reducing class size; purchasing textbooks, instructional items; providing teacher salaries, benefits, training. Prohibits use of Fund monies to pay administrative costs. Requires Legislature to set penalties for school district administrators' misuse of Fund monies. Requires annual audit by school districts. Provides small business personal property tax exemption. Reimburses state and local governments to offset revenue decrease.

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Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Additional property tax revenues of around \$5 billion annually, beginning in 2006-07. These revenues would be used for specified K-12 education purposes (over \$4 billion) and to backfill state revenue losses and provide targeted property tax relief (\$800 million).

The proponents of the K-12 Education measure are Roberta Johansen and James C. Harrison. The proponents of the Funding K-12 Education measure are James C. Harrison and Douglas Denton. All are associated with the law firm of Remcho, Johansen and Purcell, and must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify these measures. The 150-day deadline to circulate petitions for these measures is August 8, 2005. The initiative proponents can be reached at 510-346-6200.

For a copy of the complete texts, titles & summaries, and circulation calendars, please contact the Secretary of State's Press Office at 916-653-6575.