



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE

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Three Proposed Initiatives Enter Circulation

1. *Commercial Real Property Taxation. Reassessment, Exemptions, and Revenue Distribution. Initiative Constitutional Amendment.*
2. *Commercial Property Taxes, Exemptions. Revenues for Schools, Transportation, Public Safety. Initiative Constitutional Amendment.*
3. *Defined Benefit Retirement Plan. Private Sector Employees. Initiative Statute.*

SACRAMENTO --- The Secretary of State's Office announced today that the proponents of three new initiatives have received clearance to begin collecting petition signatures for their measures.

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

COMMERCIAL REAL PROPERTY TAXATION. REASSESSMENT, EXEMPTIONS, AND REVENUE DISTRIBUTION. INITIATIVE CONSTITUTIONAL AMENDMENT.

Amends the California Constitution to require annual tax reassessment of the full cash value of commercial and industrial real property. Exempts any taxpayer's first \$500,000 in personal property from taxation. Requires that tax proceeds resulting from this measure be distributed to cities, counties and schools. Excludes real property used for commercial agricultural production and real property otherwise exempt by law.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Annual increase in net local property tax revenues of approximately \$2.8 billion resulting from assessment of certain commercial real property at fair market value. This would provide additional revenues to local governments (\$1.7 billion) and schools (\$1.1 billion). The school revenues would reduce state education spending by a commensurate amount. Annual decline in state income tax revenues of approximately \$150 million from increased property tax deductions.

The Secretary of State's tracking number for this measure is 1125 and the Attorney General's tracking number is SA2005RF0034.

The proponent, Lenny Goldberg of the California Tax Reform Association, 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 this measure. His 150-day deadline to circulate petitions is August 22, 2005. The initiative proponent can be reached at 916-446-4300.

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COMMERCIAL PROPERTY TAXES, EXEMPTIONS. REVENUES FOR SCHOOLS, TRANSPORTATION, PUBLIC SAFETY. INITIATIVE CONSTITUTIONAL AMENDMENT.

Amends state Constitution to require annual tax reassessment of the full cash value of nonresidential commercial and industrial real property. Exempts any taxpayer's first \$500,000 in personal property from taxation. Requires allocation, within the county where collected, of any revenues resulting from this measure as follows: fifty percent to school districts, fifteen percent to transportation projects, and fifteen percent to public safety providers. Allocates twenty percent to senior citizen property tax relief. Excludes real property used for commercial agricultural production and real property otherwise exempt by law.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increase in net local property tax revenues and approximately \$2.8 billion annually, half of which would be spent on education purposes and the other half on senior citizens' property tax relief, transportation projects, and local public safety. Reduced state income tax revenues of approximately \$150 million annually as a result of increased property tax deductions.

The Secretary of State's tracking number for this measure is 1126 and the Attorney General's tracking number is SA2005RF0059.

The proponent, Wayne Ordos, must collect 589,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, to qualify his measure. The 150-day deadline to circulate petitions is August 22, 2005. The initiative proponent can be reached at 916-556-1776.

DEFINED BENEFIT RETIREMENT PLAN. PRIVATE SECTOR EMPLOYEES. INITIATIVE STATUTE.

Creates new defined benefit retirement plan for private sector workers, including part time and seasonal workers. Funded by mandatory employer fees and voluntary worker contributions; exemption for certain employers. Employer fee based on number of employees, needs of program. Employee contribution approximately 4% of wages. Service credit for work for all employers up to 2,000 hours annually; partial credit for employment before January 1, 2005. Separate benefit categories for regular and safety members, broadly defined. Reduced benefits for employees who decline to contribute. Creates California Employee Retirement Board to administer retirement plan.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Net reduction in state revenues, potentially in the range of \$1 billion annually. Unknown annual state and local governmental costs as a result of the measure.

The Secretary of State's tracking number for this measure is 1127 and the Attorney General's tracking number is SA2005RF0061.

The proponent, Richard Holober, must collect 373,816 signatures of registered voters, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election. The 150-day deadline to circulate petitions for this measure is August 22, 2005. The initiative proponent can be reached at 650-589-3135.

For a copy of the complete text, title & summary, and circulation calendar for each measure, please contact the Secretary of State's Press Office at 916-653-6575.