



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE

NEWS RELEASE

DB10:006

FOR IMMEDIATE RELEASE

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Tax-Related Initiative Enters Circulation

Changes Law to Prohibit State in Fiscal Emergencies from Using Local-Government and Transportation Funds for Other Purposes. Allows Local Sales and Use Tax Increases by Majority Vote for Countywide Strategic Plans. Initiative Constitutional Amendment and Statute.

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:

CHANGES LAW TO PROHIBIT STATE IN FISCAL EMERGENCIES FROM USING LOCAL-GOVERNMENT AND TRANSPORTATION FUNDS FOR OTHER PURPOSES. ALLOWS LOCAL SALES AND USE TAX INCREASES BY MAJORITY VOTE FOR COUNTYWIDE STRATEGIC PLANS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE. Amends constitution to prohibit the State from borrowing or appropriating tax revenues allocated to local government entities, redevelopment agencies and transportation projects, even in times of fiscal hardship. Allows local government entities to submit local ballot measures increasing sales and use taxes up to one cent for approval by majority vote to implement countywide strategic plans. Requires 50% allocation of such taxes to schools. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Major increases—probably over \$1 billion—in annual city, county, and school revenues and spending, depending on local voter approval of future tax proposals. Significant constraints on state authority over city, county, special district, and redevelopment agency funds. As a result, higher and more stable local government resources, potentially affecting billions of dollars in some years. Commensurate reductions in state resources, resulting in major decreases in state spending and/or increases in state revenues.** (09-0071.)

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The Secretary of State's tracking number for this measure is 1432 and the Attorney General's tracking number is 09-0071.

The proponents for this measure, Roberta B. Johansen and James C. Harrison, must collect signatures of 694,354 registered voters – the number equal to eight percent of the total votes cast for governor in the 2006 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 June 14, 2010.

The initiative proponents can be reached at (510) 346-6200.

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