



# NEWS RELEASE

CALIFORNIA SECRETARY OF STATE ALEX PADILLA

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FOR IMMEDIATE RELEASE

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CONTACT: Sam Mahood

(916) 653-6575

## **Proposed Initiative Enters Circulation** *Hospitals. Executive Compensation. Initiative Statute.*

**SACRAMENTO** – Secretary of State Alex Padilla announced the proponents of a new initiative were cleared to begin collecting petition signatures today.

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:

### **HOSPITALS. EXECUTIVE COMPENSATION. INITIATIVE STATUTE.**

Prohibits hospitals, hospital groups, hospital-affiliated medical foundations and physicians groups, and health care districts from paying annual compensation (salary, perks, paid time off, bonuses, stock options, etc.) or providing severance packages to executives, managers, and administrators in an amount exceeding the salary and expense allowance of the President of the United States (currently \$450,000). Requires annual public disclosure of all executives receiving compensation or severance packages above this amount. Authorizes Attorney General monitoring and enforcement or taxpayer litigation. Penalties for violation include fines, revocation of tax-exempt status, and appointment of Attorney General representative to board of directors of nonprofit corporations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State administrative costs in the low millions of dollars annually to enforce the measure, with authority to recover costs through fees assessed on specified hospitals.** (15-0111.)

The Secretary of State's tracking number for this measure is 1770 and the Attorney General's tracking number is 15-0111.

The proponents of the measure, Benjamin L. Tracey and Nathan Jon Selzer, must collect the signatures of 365,880 registered voters (five percent of the total votes cast for Governor in the November 2014 general election) in order to qualify it for the November 2016 ballot. The proponents have 180 days to circulate petitions for the measure, meaning the signatures must be submitted to county elections officials by July 25, 2016. The proponents can be reached c/o George M. Yin at (213) 452-6565 or [gyin@kaufmanlegalgroup.com](mailto:gyin@kaufmanlegalgroup.com).

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