NEWS RELEASE
CALIFORNIA SECRETARY OF STATE KEVIN SHELLEY

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Proposed Initiative Enters Circulation

Local Funds and Revenues. State Mandates. Initiative Constitutional Amendment.

SAN FRANCISCO, CA --- Secretary of State Kevin Shelley announced today the proponent of a new initiative received clearance to begin collecting petition signatures.

The Attorney General's official title and summary is as follows:

LOCAL FUNDS AND REVENUES. STATE MANDATES. INITIATIVE CONSTITUTIONAL AMENDMENT. Requires two-thirds vote of Legislature and voter approval for any reduction, based on January 1, 2003 levels, of local governments' vehicle license fee revenues, sales tax powers and revenues, and proportionate share of local property tax revenues. Permits Legislature to create tax exemptions and reduce vehicle license fee revenues without voter approval only if legislation reimburses local government for lost revenues. Provides that local governments may, with limited exceptions, suspend performance of state mandate if State fails to reimburse local government within 180 days of final determination of state-mandated obligation. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Over time, the initiative would have the following major fiscal effects: Higher and more stable local government revenues than otherwise would have been the case, possibly in the range of several billion dollars annually. Significant changes to state finance, potentially including higher state taxes than otherwise would have been the case—or lower spending on state programs. The magnitude of the state fiscal effect would be commensurate with the measure's impact on local government.

The proponents, Steven C. Szalay, Christopher K. McKenzie, and Catherine Smith, must collect 598, 105 signatures of registered voters, 8 percent of the total votes cast for governor in the 2002 gubernatorial election, for their measure. The 150-day deadline to circulate petitions is June 1, 2004. The initiative proponents can be reached at (916) 446 6752, or c/o Cathy Christian, Law Offices of Nielsen, Merksamer, Parrinello, Mueller and Naylor, 1415 L Street, Suite 1200, Sacramento, CA 95814.

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

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