



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **KEVIN SHELLEY**

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Proposed Initiative Enters Circulation

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

SACRAMENTO, CA --- Secretary of State Kevin Shelley announced today that the proponents of a new initiative have received clearance to begin collecting petition signatures for their measure.

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

LOCAL GOVERNMENT FUNDS AND REVENUES. STATE MANDATES. INITIATIVE CONSTITUTIONAL AMENDMENT. Requires voter approval for any legislation that provides 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 local government to suspend performance of state-mandated obligation; except mandates requiring local government to provide/modify: any protection, benefit or employment status to employee, retiree, or any procedural/substantive employment right for employee or employee organization. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This initiative would have the following fiscal effects, the magnitude of which would depend on future actions by the Legislature and state voters: Higher and more stable local government revenues that otherwise would have been the case, potentially several billion dollars annually. Significant changes to state finance, potentially including higher state taxes or lower spending on state programs than otherwise would have been the case. The state fiscal effect would be commensurate with the measure's impact on local governments.

The proponents, Steven C. Szalay, Catherine Smith, and Christopher K. McKenzie, must collect 598,105 signatures of registered voters, eight percent of the total votes cast for governor in the 2002 gubernatorial election. The 150-day deadline to circulate petitions is July 5, 2004. The initiative proponents can be reached c/o Cathy Christian, 916-446-6752.

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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