



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **KEVIN SHELLEY**

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Proposed Initiative Enters Circulation

California Petroleum Commission. Initiative Statute.

SACRAMENTO, CA --- Secretary of State Kevin Shelley announced today that the proponent of a new initiative may begin collecting petition signatures for his measure.

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

CALIFORNIA PETROLEUM COMMISSION. INITIATIVE STATUTE.

- Creates seven-member Commission to regulate privately owned petroleum companies, whether publicly traded or privately held.
- Three commissioners appointed by the Governor.
- Remainder elected.
- Commission shall:
 - Establish maximum rates for petroleum fuels sold in California;
 - License petroleum producers/facilities;
 - Set license fee;
 - Determine need for additional facilities and may order their construction as; condition of license renewal;
 - Determine whether petroleum facilities may be abandoned/sold;
 - Limit cumulative profits for producers/facilities for 5% above costs;
 - Promote use of petroleum alternatives;
 - Provide consumer complaint forum;
 - Adopt regulations;
 - Establish/collect civil penalties;
 - Refer criminal violations to district attorneys.

The summary of the estimate by the Legislative Analyst and Director of Finance of the fiscal impact on state and local governments indicates that this measure could potentially result in annual state costs of up to \$40 million for regulatory activities of the Commission, partially offset by fee revenues; its net fiscal impact on state and local revenues is unknown, but could result in reductions in these revenues if regulations cause decreases in producers' profits and investment and economic activity generally, with reductions potentially offset by revenue increases resulting from increased economic activity generated by lower retail prices to consumers.

The proponent, Celes King must collect 373,816 signatures of registered voters, which is five percent of the total votes cast for governor in the 2002 gubernatorial election. The 150-day deadline to circulate petitions is December 13, 2004. The initiative proponents can be reached at 323-841-1440.

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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