



# NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **KEVIN SHELLEY**

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## **Two Proposed Initiatives Enter Circulation**

1. *Economic Development Banks. Initiative Constitutional Amendment.*
2. *California Petroleum Commission. Initiative Statute.*

SACRAMENTO, CA --- Secretary of State Kevin Shelley announced yesterday that the proponents of two initiatives may begin collecting petition signatures for their measures.

The Attorney General's official title and summary of each follows:

### **ECONOMIC DEVELOPMENT BANKS. INITIATIVE CONSTITUTIONAL AMENDMENT.**

- Authorizes creation of private companies as Economic Development Banks owned by natural-born U.S. Citizens.
- Authorizes Banks to accept time deposits only, finance and invest in California economic development, and assist specified business, social and racial groups.
- Allows California residents to open tax-free, individual Bank accounts.
- Bars California government from limiting Bank investments or imposing assessments or zoning restrictions.
- Allows Banks to condemn land for specified purposes.
- Prohibits businesses from closing or shifting production from designated facilities.
- Limits state and local governments' regulation of American companies, American-made products or "big box enterprises."

The summary of the estimated fiscal impact on state and local governments, as determined by the Legislative Analyst and Director of Finance, indicates that this measure would reduce bank-related state income tax revenues potentially totaling in the tens of millions of dollars annually. This revenue loss could be partially offset by increased state and local tax revenues from new economic activity.

The proponent, David K. Johnson, must collect 598,105 signatures of registered voters, equal in number to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is July 7, 2005. The initiative proponent can be reached at P.O. Box 3126, Beverly Hills, CA 90212. No phone number was provided.

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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 Governor; remainder elected.
- Commission shall:
  - Establish maximum rates for petroleum fuels sold in California;
  - License petroleum producers/facilities;
  - Set license fee;
  - Determine whether petroleum facilities may be abandoned/sold;
  - Limit cumulative profits of producers/facilities to 5% above costs;
  - Promote use of petroleum alternatives;
  - Provide consumer complaint form;
  - Adopt regulations;
  - Establish/collect civil penalties; and
  - Refer criminal violations to district attorney.

The Legislative Analyst's and Director of Finance's estimated fiscal impact summary indicates that this measure could potentially result in annual state costs of up to \$40 million for regulatory, planning and other activities of the Commission, partially offset by fee revenues; its net fiscal impact is unknown, but could result in reductions in state and local revenues to the extent that petroleum price regulation results in decreases in profits and possibly petroleum availability, investment and economic activity generally. These reductions would be potentially offset, to an unknown extent, by revenue increases resulting from increased economic activity generated by lower retail petroleum prices to consumers.

The proponent, Celes King, IV, must collect 373,816 signatures of registered voters, equal in number to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is July 7, 2005. The initiative proponent can be reached at P.O. Box 221056 Newhall, CA 91322. No phone number was provided.

For a copy of the complete texts, titles & summaries, and circulation calendars, please contact the Secretary of State's Press Office at 916-653-6575.