



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE

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Proposed Spending Limits Initiative Enters Circulation

Government Spending Limits. Initiative Constitutional Amendment.

SACRAMENTO --- The proponent of an initiative to impose limits on government spending has received clearance to begin collecting petition signatures for his measure, it was announced by the Secretary of State's Office today.

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

GOVERNMENT SPENDING LIMITS. INITIATIVE CONSTITUTIONAL AMENDMENT.

Imposes further limits on state/local government spending by: changing base year for calculating state spending limit; redefining the words "tax," "population" and "cost-of-living" for purposes of calculating limits; subjecting capital outlay, certain transportation projects and natural disasters to expenditure limits. Repeals requirement that Legislature establish Prudent State Reserve Fund; repeals provisions of Proposition 1A (approved on November 2004 ballot) regarding state mandates on local government. Shifts 50% of excess state revenues from schools to transportation fund until repaid, then to taxpayer rebates and credits. Authorizes taxpayer suit for violation of measure.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potentially significant reduction in annual state and local government spending. Reduction in the annual minimum funding requirement for K-12 schools and community colleges.

The proponent, Lewis K. Uhler, must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify his measure. The 150-day deadline to circulate petitions for this measure is August 12, 2005. The initiative proponent can be reached at 916-786-9400.

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.