NEWS RELEASE
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Two Proposed Initiatives Enter Circulation

1. *Residential and Commercial Property Tax Rates. Homeowners' Exemption. Initiative Constitutional Amendment.*
2. *Increase in Minimum Wage. Initiative Statute.*

SACRAMENTO --- The Secretary of State's Office announced today that the proponents of two new initiatives have received clearance to begin collecting petition signatures for their measures.

The Attorney General's official titles and summaries are as follows:

RESIDENTIAL AND COMMERCIAL PROPERTY TAX RATES. HOMEOWNERS' EXEMPTION. INITIATIVE CONSTITUTIONAL AMENDMENT.

Increases tax limit on commercial property to 3% of assessed value, and 3% on value of residential property exceeding $2,000,000. Values subject to limited future county reassessment. Increases homeowners' exemption to $70,000; larger exemptions to certain homeowners. Increases cap on personal property taxes to 3%. Increases insurance company tax rates. Authorizes majority vote of Legislature to change corporate or personal property tax; requires total state corporate tax burden to equal total personal tax burden. No more than 25% of state government appropriations may come from residential property taxes.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increased annual local property tax revenues, ranging from the low billions of dollars to in excess of $20 billion. Unknown net impact on state finances from major changes in both revenues and expenditures. Impact would depend on future legislative actions.

The Secretary of State's tracking number for this measure is 1123 and the Attorney General's tracking number is SA2005RF0047.

The proponent, Ken Heredia of Gilroy, 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 this measure. His 150-day deadline to circulate petitions is August 19, 2005. The initiative proponent can be reached at 408-847-2133.

INCREASE IN MINIMUM WAGE. INITIATIVE STATUTE.

Increases California's minimum wage to $7.25 per hour, effective January 1, 2006, and then to $7.75 per hour, effective January 1, 2007. Establishes annual automatic adjustment of minimum wage commencing January 1, 2008, calculated by multiplying the minimum wage in effect on December 31 by the percentage of inflation that occurred during the previous year, using the California Consumer Price Index for All Urban Consumers or its successor index. Directs Industrial Welfare Commission to adopt a minimum wage order consistent with this initiative.

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Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential net reduction, but probably not significant, in annual state and local government revenues. Annual state and local governmental costs – primarily in health and child care programs – in the high tens of millions to over $100 million.

The Secretary of State's tracking number for this measure is 1124 and the Attorney General's tracking number is SA2005RF0063.

The proponent, Lance H. Olson, of Olson, Hagel and Fishburn, must collect 373,816 signatures of registered voters, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify this measure. His 150-day deadline is August 19, 2005. The initiative proponent can be reached at 916-442-2952.

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

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