

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 13, 2011
POSITION: Oppose

BILL NUMBER: AB 65
AUTHOR: M. Gatto

BILL SUMMARY: Initiatives: Statewide Ballot Pamphlet

This bill would require certain language be provided to the Attorney General (AG) and included in the Legislative Analyst's fiscal summary statement in the state ballot pamphlet, if the Department of Finance (Finance) and the Joint Legislative Budget Committee (JLBC) joint fiscal analysis for an initiative determines that a measure would provide new revenues for new or existing programs. The specified language also would be included in the title and summary prepared by the AG.

FISCAL SUMMARY

The Secretary of State (SOS) reports that this measure would add information to the state ballot pamphlet. It is difficult to determine whether this measure would increase the number of pages in the pamphlet by adding information for each initiative that meets the threshold. There are a number of variables that determine the size of the pamphlet, including (but not limited to) the number of measures, the length of the measures, and the length of the Legislative Analyst's Office (LAO) analysis. According to the SOS, the average cost to print and mail the pamphlet is approximately \$66,000 per page. However, the pamphlet is formatted in 16-page increments so blank pages would likely be available. To the extent that a new increment would be needed as a result of this bill, it would cost approximately \$1.1 million General Fund (\$66,000 x 16 pages).

The LAO prepares the fiscal estimate on behalf of the JLBC and indicates that any costs resulting from this measure would likely be minor and absorbable within existing resources.

The Department of Justice has not indicated whether this bill would have a fiscal impact to the department.

COMMENTS

The Department of Finance is opposed to this bill because it could result in additional General Fund costs that are not included in the 2011-12 Budget.

Existing law:

- Establishes a process for the AG to prepare a summary of the main purposes and points of a proposed initiative measure and requires the AG to provide a copy of the title and summary to the Secretary of State within 15 days of receiving the final version of a proposed initiative or (if a fiscal estimate or opinion is to be included) within 15 days of receiving the fiscal estimate or opinion prepared by Finance and the JLBC.

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Analyst/Principal (0222) J. Fitzpatrick	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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COMMENTS (Cont'd)

- Requires the AG to include in the circulating title and summary (in boldface print) either a fiscal estimate of the amount of any increase or decrease in revenues or costs to state or local governments, or an opinion as whether a substantial net change in state or local finances would result if the initiative is implemented.
- Requires the LAO to prepare an impartial analysis of each proposed initiative, as provided. If the LAO estimates that the initiative would result in increased costs to the state, the estimate of those costs must be printed in boldface print in the ballot pamphlet.
- Requires the ballot pamphlet to contain a section (prepared by the LAO) near the front of the pamphlet that provides a concise summary of the general meaning and effect of "yes" and "no" votes on each state measure.

This bill, under specified conditions, would require the following additional fiscal information to be included in the summary statement prepared by the LAO and the circulating title and summary prepared by the AG for a proposed initiative measure:

"Unless changed by a future initiative, the taxpayer dollars generated by this initiative will be forever dedicated to the purposes listed in this initiative, and cannot be used by the state for any other purpose, even during a budget emergency."

This bill is intended to better inform voters when considering initiatives on the ballot. The language, however, would not apply to unrestricted revenues.

The Political Reform Act, an initiative measure, provides that the Legislature may amend the Act to further the Act's purposes upon a 2/3 vote in each house and compliance with specified procedural requirements (unless the amendments only add information to the state ballot pamphlet). This bill would add information to the ballot pamphlet and would require only a majority vote.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP	2011-2012		2012-2013		2013-2014		
RV	98	FC	FC	FC	FC				
0820/Justice	SO	No	----- See Fiscal Summary -----						0001
0890/Secty State	SO	No	----- See Fiscal Summary -----						0001
0130/Joint Exp	SO	No	----- No/Minor Fiscal Impact -----						0001