1982

Voter Information Guide for 1982, General Election

CALIFORNIA BALLOT PAMPHLET

General Election
November 2, 1982

Compiled by

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Secretary of State

Analyses by

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Dear Californians:

This is your California ballot pamphlet for the November 2, 1982, General Election. It contains the ballot title, a short summary, the Legislative Analyst's analysis, the pro and con arguments and rebuttals, and the complete text of each proposition. It also contains the legislative vote cast for and against any measure proposed by the Legislature.

Read carefully each of the measures and the information about them contained in this pamphlet. Legislative propositions and citizen-sponsored initiatives are designed specifically to give you, the electorate, the opportunity to influence the laws which regulate us all.

Take advantage of this opportunity and vote on November 2, 1982.

SECRETARY OF STATE

AVISO: Una traducción al español de este folleto de la balota puede obtenerse si completa y nos envía la tarjeta con porte pagado que encontrará entre las páginas 36 y 37. Escriba su nombre y dirección en la tarjeta en LETRA DE MOLDE y regrésela a más tardar el 20 de octubre de 1982.

1 State School Building Lease-Purchase Bond Law of 1982

Official Title and Summary Prepared by the Attorney General

FOR THE STATE SCHOOL BUILDING LEASE-PURCHASE BOND LAW OF 1982. This act provides for a bond issue of five hundred million dollars ($500,000,000) to provide capital outlay for construction or improvement of public schools.	
AGAINST THE STATE SCHOOL BUILDING LEASE-PURCHASE BOND LAW OF 1982. This act provides for a bond issue of five hundred million dollars ($500,000,000) to provide capital outlay for construction or improvement of public schools.	

FINAL VOTE CAST BY THE LEGISLATURE ON AB 3006 (PROPOSITION 1)

Assembly—Ayes, 68 Noes, 1 Senate—Ayes, 28 Noes, 5

Analysis by the Legislative Analyst

Background:

Prior to the passage of Proposition 13 on the June 1978 ballot, local school districts financed the construction of elementary and secondary school facilities in one of two ways. They either issued school construction bonds to secure the money needed to pay for the facility or obtained a loan from the state under the State School Building Aid program. (The state raised the money loaned to applicant districts from the sale of state general obligation bonds.) In each case, district voters had to approve borrowing by the district. Funds borrowed by school districts to finance the construction of school facilities were repaid from the district's property tax revenues.

A third alternative for financing school facilities—the State School Building Lease-Purchase Act of 1976—was not utilized by school districts because necessary bonding authority was denied by the voters.

Proposition 13 added Article XIII A to the State Constitution. This article eliminated the ability of local school districts to levy additional special property tax rates of the type previously used to pay off bonds or loans. As a result, school districts can no longer issue new local construction bonds or participate in new State School Building Aid projects. Consequently, the State School Building Lease-Purchase Act was substantially revised to provide the primary means for financing school construction.

Under the State School Building Lease-Purchase program, the state funds the construction of new school facilities and rents them, for a nominal fee, to local school districts under a long-term lease. Title to the facility is subsequently transferred to the district no later than 40 years after the rental agreement has been executed. Current law appropriates an additional $200 million to this program in each of the following two fiscal years: 1983–84 and 1984–85.

The total amount of additional school facilities needed to accommodate current enrollment in the state is unknown but is probably substantial. For the 1982–83 fiscal year the Legislature has provided $100 million to the State School Building Lease-Purchase program for use in financing school facilities construction. At the present time school district applications for state funding of school construction projects total between $450 million and $500 million.

Proposal:

This measure, the State School Building Lease-Purchase Bond Law of 1982, would authorize the state to sell $500 million worth of general obligation bonds to provide funds for the construction of elementary and secondary school facilities. (A general obligation bond is backed by the full faith and credit of the state, meaning that, in issuing the bonds, the state pledges to use its taxing power to assure that sufficient funds are available to pay off the bonds.) Under existing law, revenues deposited in the state's General Fund would be used to pay the principal and interest costs on these bonds.

The measure also would authorize the State School Building Lease-Purchase program to borrow moneys from the state's General Fund in order to finance school facilities construction prior to when the proceeds from the bond sales are received. During 1982–83 such borrowings could not exceed $215 million. In subsequent fiscal years the borrowing could not exceed $15 million per month. Total borrowings could not exceed the amount of the bond issue ($500 million), and these borrowings would have to be repaid when the bonds are sold.

No more than $150 million of the funds raised from the bond sale could be used for the reconstruction or modernization of *existing* school facilities, and at least $350 million of the bond money could be used only for the construction of *new* facilities.

Fiscal Effect:

Under current law, the state can sell general obligation bonds at any rate of interest up to 11 percent.

Assuming that the full $500 million in bonds are sold during 1982–83 at the maximum interest rate of 11 percent and are paid off over a 20-year period, the interest cost on the bonds would be approximately $577 million. Therefore, the total cost to the General Fund of paying off both the principal ($500 million) and interest ($577 million) on these bonds would be about $1.1 billion.

The sale of the bonds authorized by this measure could also increase state and local costs to the extent it results in higher overall interest rates on bonds issued to finance other state and local programs.

The interest paid by the state on these bonds would be exempt from the state personal income tax. Therefore, to the extent that the bonds are purchased by California taxpayers in lieu of taxable bonds, the state would experience a loss of income tax revenue. It is not possible, however, to estimate what this revenue loss would be.

Text of Proposed Law

This law proposed by Assembly Bill 3006 (Statutes of 1982, Ch. 410) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law adds sections to the Education Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Chapter 21.5 (commencing with Section 17680) is added to Part 10 of the Education Code, to read:

CHAPTER 21.5. STATE SCHOOL BUILDING LEASE-PURCHASE BOND LAW OF 1982

17680. This act may be cited as the State School Building Lease-Purchase Bond Law of 1982.

17681. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and such law.

17682. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means the State School Building Finance Committee created by Section 15909.

(b) "Board" means the State Allocation Board.

(c) "Fund" means the State School Building Lease-Purchase Fund.

17683. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the provisions of the State School Building Lease-Purchase Law of 1976, and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of five hundred million dollars ($500,000,000) in the manner provided herein, but not in excess thereof.

17684. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund, not in excess of the principal of and interest on the said bonds then due and payable, except as herein provided for the prior redemption of said bonds, and, in the event such money so returned on said dates of maturity is less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State Treasury out of the fund as soon thereafter as it shall become available.

17685. All money deposited in the fund under Section 17732 of this code and pursuant to the provisions of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, shall be available only for transfer to the General Fund, as provided in Section 17684. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by such transfer of funds.

17686. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter, as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 17687 which sum is appropriated without regard to fiscal years.

17687. For the purposes of carrying out the provisions of this chapter the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

17688. Upon request of the board, supported by a statement of the apportionments made and to be made under Sections 17700 to 17746, inclusive, the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to make such apportionments, and, if so, the amount of bonds then to be issued and sold. One hundred twenty-five million dollars ($125,000,000) shall be available for apportionment on December 1, 1982, and fifteen million dollars ($15,000,000) shall become available for apportionment on the fifth day of each month thereafter until a total of five hundred million dollars ($500,000,000) has become available for apportionment. Successive issues of bonds may be authorized and sold to make such apportionments progressively, and it shall not be necessary that all of the bonds herein authorized to be issued shall be sold at any one time.

17689. In computing the net interest cost under Section 16754 of the Government Code, interest shall be computed from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, such computation to be made on a 360-day-year basis.

17690. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

17691. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 17686 to pay principal and interest on bonds.

17692. With respect to the proceeds of bonds authorized by this chapter, all the provisions of Sections 17700 to 17746, inclusive, shall apply.

17693. Out of the first money realized from the sale of bonds under this act, there shall be repaid any moneys advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act.

1 State School Building Lease-Purchase Bond Law of 1982

Argument in Favor of Proposition 1

PROPOSITION 1 DESERVES YOUR "YES" VOTE. It will enable school districts to finance needed classrooms and to rehabilitate and modernize outdated buildings.

Many of California's school districts located in rapidly growing communities are experiencing explosive enrollment growth.

Other districts, particularly those located in our older urban communities, have severely overcrowded classrooms.

The problems of explosive growth and severe overcrowding have forced school districts to take drastic action, like:

- increase the class sizes of existing classrooms,
- shorten the school day to accommodate more pupils, and
- utilize nonclassroom facilities for instructional purposes.

Students cannot learn when they are "sitting on each other's laps."

With over one-third of California's school buildings more than 30 years old, many classrooms are presently ill equipped and in terrible physical shape. Simply stated, *MANY SCHOOLS ARE FALLING APART.* They need to be replaced, rehabilitated, or modernized in order to create a more efficient and attractive learning environment for our children.

PROPOSITION 1 will allow our school districts to address these pressing problems. It authorizes $500 million in school construction bonds, including $350 million for new facilities, and up to $150 million for the rehabilitation or modernization of older school facilities.

These government bonds will enable our children to be taught in school facilities that have finally been replaced or modernized.

California's school districts simply *DO NOT* have sufficient financial resources to construct needed classrooms. Our school systems have been the only local entity to operate under "revenue limits" set by the state. These revenue limits, in effect since 1972, have made it impossible for many schools to keep pace with inflation, much less build needed facilities.

Furthermore, current law, as enacted by Proposition 13, prohibits the electorate of our local school districts from voting to increase their taxes to finance school facilities. Accordingly, students, parents, school districts, and anyone who uses public school facilities must look to the state for more financial assistance.

In California our youth are our most important resource. The major beneficiaries of *PROPOSITION 1* will be our children. WE urge you to vote "YES" on Proposition 1.

ART TORRES
Member of the Assembly, 56th District
Chairman, Assembly Health Committee

CHRIS ADAMS
President, California State PTA

CORNELL C. MAIER
Chairman and Chief Executive Officer
Kaiser Aluminum and Chemical Corporation

Rebuttal to Argument in Favor of Proposition 1

No responsible person can dispute the serious crisis faced by our public schools as described by the proponents of Proposition 1. In many growing districts, classrooms are indeed woefully inadequate and overcrowded.

Our educational system needs and deserves full public support, but these expensive bonds are not the most responsible way of providing that support. The actual cost of this $500 million when paid back over 30 years would be $1.3 billion—$800 million in interest payments alone.

Proposition 1, along with other general obligation bond issues, will further endanger California's credit rating by increasing the total principal and interest payments required of the state.

However worthy the purpose, we should not use general obligation bond issues to avoid the normal annual budget review, nor should we attempt to circumvent the public's demand for expenditure restrictions and reductions by borrowing against our children's future.

Vote no on Proposition 1.

ALFRED E. ALQUIST
State Senator, 11th District
Chairman, Senate Committee on Finance

State School Building Lease-Purchase Bond Law of 1982

1

Argument Against Proposition 1

Proposition 1 provides for a $500 million bond issue to build, rebuild, and modernize public schools. The actual cost of this $500 million when paid back over 30 years will be $1.3 billion.

In an era of declining enrollments, should we pay $800 million in interest on a $500 million loan? In addition, there are potentially serious dangers to California's credit rating when too many bond issues are adopted and the payment of principal and interest increases accordingly. These bond issues and propositions will be paid for by our children and grandchildren.

School construction anticipated in this proposition has traditionally been funded through the state budget process. Restrictions and reductions in expenditures have been required by the voters on several different occasions, but this proposition could remove much of school construction from the budget process and thereby avoid the annual review and comparison with other public needs. It will, in effect, mortgage the future of the very children whose interests it purports to serve.

Our educational system—including necessary school buildings—deserves full public support, but expensive bonds are not the prudent way to proceed.

Vote no on Proposition 1.

ALFRED E. ALQUIST
State Senator, 11th District
Chairman, Senate Committee on Finance

Rebuttal to Argument Against Proposition 1

1. Opponents cite the long-term cost of bonds as a reason for voting against Proposition 1.

Bonds have been a means of getting necessary construction money today and repaying it with interest—*THE SAME AS IN BUYING A HOME.* To accept their ›gic would mean to reject the very system that allows many of us to buy our home, or businesses to construct new facilities.

2. Opponents state that schools have been funded through the state budget process.

Since Proposition 13 passed, *SCHOOLS HAVE BEEN FORBIDDEN* from seeking local bond initiatives to build, renovate, or repair school facilities. Today only statewide bond measures reviewed and approved by the Legislature can assure school districts with revenues to improve their facilities or build new buildings.

3. Opponents argue that school districts are experiencing an era of declining enrollments.

ELEMENTARY SCHOOL ENROLLMENT IS GROWING, especially in major population areas. State and county officials have agreed: most school districts will have more students than the previous year, causing explosive growth and overcrowded conditions, unless there is relief.

4. Opponents state that there is no review of school construction proposals by the Legislature.

BY LAW, districts must apply to the state in order to receive any assistance. Districts must document their need for classrooms and assure the state that classrooms proposed for construction or renovation *MEET STRINGENT STATE COSTS AND SIZE STANDARDS.* Before any action is taken, Members of the Legislature, along with other state officials, must agree that the proposal merits approval.

ART TORRES
Member of the Assembly, 56th District
Chairman, Assembly Health Committee

CHRIS ADAMS
President, California State PTA

CORNELL C. MAIER
Chairman and Chief Executive Officer
Kaiser Aluminum and Chemical Corporation

2 County Jail Capital Expenditure Bond Act of 1981

Official Title and Summary Prepared by the Attorney General

FOR THE COUNTY JAIL CAPITAL EXPENDITURE BOND ACT OF 1981. This act provides for the construction, reconstruction, remodeling, and replacement of county jails and the performance of deferred maintenance thereon pursuant to a bond issue of two hundred eighty million dollars ($280,000,000).	
AGAINST THE COUNTY JAIL CAPITAL EXPENDITURE BOND ACT OF 1981. This act provides for the construction, reconstruction, remodeling, and replacement of county jails and the performance of deferred maintenance thereon pursuant to a bond issue of two hundred eighty million dollars ($280,000,000).	

FINAL VOTE CAST BY THE LEGISLATURE ON SB 910 (PROPOSITION 2)

Assembly—Ayes, 62 Noes, 8 Senate—Ayes, 27 Noes, 0

Analysis by the Legislative Analyst

Background:

California's 58 counties have jail facilities that house persons who are awaiting trial or serving time as a result of being convicted of committing a crime. According to the Board of Corrections, which is the state agency responsible for inspecting county jails, these facilities were designed to house a total of about 33,100 prisoners. This does not include the capacity of small facilities used primarily as short-term holding cells.

County jail populations have increased sharply in recent years. In May 1982, county jails had an average daily population of about 36,700 prisoners. This is about 10,000 more than the average population levels experienced during the late 1970s. At certain times (for example, Friday and Saturday nights), the county jail population statewide may rise to over 40,000 inmates.

If recent trends continue, the population of county jails will continue to grow. It is possible, however, that the rate of growth will increase in the near future as a result of recent changes in state law, such as those that increased penalties for driving while intoxicated and those that were provided for in Proposition 8, which was approved by the voters at the June 1982 primary election.

About 30 counties currently have average daily jail populations exceeding the designed capacities of their jail systems. Several other counties probably exceed the designed capacities of their jail systems during peak times. In all, approximately two-thirds of the counties have main jails (which are the primary housing facilities for persons awaiting trials) that are overcrowded on an average daily basis.

Because of the crowded conditions that exist in county jail facilities, the counties are making greater use of alternatives to incarceration in dealing with persons accused or convicted of crimes. For example, some counties are releasing more defendants without bail, some are sending more public inebriates to hospital detoxification facilities instead of jail, some are releasing persons prior to the end of their sentences, and some are increasing the use of work furlough programs. In five counties the courts have imposed limits on the number of prisoners that may be confined in jail at any one time.

The Board of Corrections estimates that counties would need to spend about $800 million, at today's prices, in order to provide additional capacity and to bring existing facilities up to fire, life, safety, and correctional standards. To the extent that counties could reduce construction needs by changing the distribution of prisoners between facilities, or by expanding their use of alternatives to jailing persons, the amount of funds needed to accommodate jail populations would be less.

During fiscal year 1981–82 the Board of Corrections granted about $39 million in State General Fund money to 11 counties to finance (1) projects that will result in new or remodeled facilities for about 1,750 prisoners, (2) architectural plans for facilities capable of accommodating about 2,250 prisoners, and (3) improved security and safety for facilities designed to hold over 1,700 prisoners.

Proposal:

This measure, the County Jail Capital Expenditure Bond Act of 1981, would authorize the state to issue and sell $280 million in state general obligation bonds. A general obligation bond is backed by the full faith and credit of the state, meaning that, in issuing the bonds, the state pledges to use its taxing power to assure that sufficient funds are available to pay off the bonds. The money raised by the bond sale would be used to finance the construction, reconstruction, remodeling, and replacement of county jails, as well as for the performance

of deferred maintenance in connection with such facilities. If this measure is approved by the voters, the 1982–83 state budget would allow the Board of Corrections to award $100 million of the $280 million authorized by the proposal to counties prior to June 30, 1983. The amount of funds that would be spent in future years would be determined by the Legislature as part of the annual state budget process.

The Board of Corrections would decide how the money raised by the bond sale would be distributed among the various activities and among the state's 58 counties. Counties may qualify for funding based on criteria developed by the board. The measure requires that at least 25 percent of expenditures from the bond funds be matched by the counties using their own funds.

The specific rules that would be adopted by the board for use in distributing the funds have not yet been determined. In allocating $39 million from the General Fund during 1981–82 for jail purposes, however, the board gave the highest priority to those counties with the greatest degree of crowding within their jail systems.

The measure requires the board, in allocating available funds, to consider the following guidelines:

- The extent to which counties have exhausted all other means of raising funds;
- Whether counties could use the bond funds to attract other sources of financing;
- Whether jail construction is necessary to protect the life, safety, and health of prisoners and staff; and
- Whether counties are using reasonable alternatives to jailing persons.

The measure states that specified committees of the Legislature shall review the factors used by the board in allocating funds prior to the expenditure of any bond funds.

Fiscal Effect:

The general obligation bonds authorized by this measure would be paid off over a period of up to 20 years. Under current law the state can sell bonds at any interest rate up to 11 percent.

If the full $280 million in general obligation bonds were sold at the maximum interest rate (11 percent) and paid off over a 20-year period, the interest cost to the state would be approximately $323 million. Thus, the cost of paying off the principal and interest on these bonds could total $603 million. This cost would be less if the bonds were sold at interest rates below 11 percent. The cost of paying off the bonds would be paid from the State General Fund using revenues received in future years.

The state and local governments could incur higher costs under other bond-finance programs if the bond sales authorized by the measure result in a higher overall interest rate on state and local bonds. These additional costs cannot be estimated.

The interest paid by the state on these bonds would be exempt from the state personal income tax. Therefore, to the extent that the bonds would be purchased by California taxpayers in lieu of taxable bonds, the state would experience a loss of income tax revenue. It is not possible, however, to estimate what this revenue loss would be.

Approval of this measure by the voters could increase by about $280 million the revenue that is available to counties for jail construction, remodeling, or deferred maintenance. However, the counties receiving the funds would incur costs of at least $70 million to provide a minimum of 25 percent in matching funds as required by the measure. The counties that build new facilities with the bond funds probably would incur additional operating expenses because current jail design standards tend to require higher staffing levels than older jails, and it generally is more expensive to administer and operate new jail facilities than it is to maintain crowded conditions within existing facilities. Additional jail space also could result in the lifting of court-imposed jail population limits, which would increase operating expenses. These costs might be incurred even if this measure is not approved, if counties or the state were to finance the construction or remodeling of jail facilities using other revenues.

Text of Proposed Law

This law proposed by Senate Bill 910 (Statutes of 1982, Ch. 34) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law expressly adds sections to the Penal Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title 4.5 (commencing with Section 4400) is added to Part 3 of the Penal Code, to read:

TITLE 4.5. COUNTY JAIL CAPITAL EXPENDITURE BOND ACT OF 1981

CHAPTER 1. FINDINGS AND DECLARATIONS

4400. This title shall be known and may be cited as the County Jail Capital Expenditure Bond Act of 1981.

4401. It is found and declared that:

(a) Numerous county jails throughout California are dilapidated and overcrowded.

(b) Capital improvements are necessary to protect life and safety of the persons confined or employed in jail facilities and to upgrade the health and sanitary conditions of such facilities.

(c) County jails are threatened with closure or the imposition of court supervision if health and safety deficiencies are not corrected immediately.

(d) Due to fiscal constraints associated with the loss of local property tax revenues, counties are unable to finance the construction of adequate jail facilities.

(e) A 1980 survey authorized by the State Board of Corrections concluded that more than two hundred million dollars ($200,000,000) would be necessary merely to bring county and city jails up to the standards in effect when they were built. Subsequent hearings by the Senate Judiciary Committee's Subcommittee on Corrections concluded that at least five hundred million dollars ($500,000,000) would be necessary to bring such facilities up to present standards, without allowing for inflationary increases in construction costs in ensuing years.

(f) Imposition of limits on taxing powers of local agencies, imposed by Proposition 13 and other measures, has severely limited ability of local jurisdictions to raise funds for jail construction or renovation, though the need for such facilities is increasing.

CHAPTER 2. FISCAL PROVISIONS

4410. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued pursuant to this title, and the provisions

Continued on page 62

2 County Jail Capital Expenditure Bond Act of 1981

Argument in Favor of Proposition 2

Californians in June met their responsibilities head-on by approving a bond issue for building or enlarging overcrowded state prisons, such as Folsom, Tehachapi, etc. Proposition 2 would provide $280 million for *county jail construction,* to complete the task. Both are needed to help meet the demand of the overwhelming majority of Californians, that persons who commit serious crimes be sent to jail or prison. Proposition 2 will NOT raise taxes.

Jails in 38 counties are overcrowded. Many are accused of violating fire, health, and safety standards. Twenty-eight counties face threats of court suits due to overcrowding; 12 currently are being sued: Alameda, Los Angeles, Madera, Mendocino, Orange, Riverside, San Diego, Sacramento, Santa Clara, Santa Cruz, Sonoma, and Yuba. Five are already under court order to reduce jail population by releasing prisoners.

Other similar court orders, placing jail control and release in the hands of judges, are possible.

Three factors have brought us to this crisis. *First,* the typical county jail is over 30 years old (a third are over 40). Most were built to hold fewer and less dangerous inmates—vagrants, drunks, petty thieves, persons charged with less serious crimes. As the crime rate and arrests have increased, and as state prisons have become overcrowded, county jail populations have come to include more serious and more violent offenders.

Many jails that were adequate to house minor offenders can no longer assure safety of prisoners, sheriff's employees, or the community. The chances of local jail riots, fatal fires, or escapes into the community increase as jail conditions worsen. And persons in jail on drunk driving or minor charges, or awaiting trial but who have not been found guilty of committing any crime, must often be thrown in with dangerous offenders. Adequate women's facilities are often lacking.

Second, California's citizens have made it plain to the criminal justice system and the Legislature to get tough on criminals. Both have complied, and the resulting mandatory jail or prison terms for many more offenses, plus longer sentences, have all contributed to the lack of enough jail space to meet your demands.

And, *third,* rapidly rising construction costs and Proposition 13's limits on local taxes and local bond issues have made many counties unable to finance new jail construction entirely from local funds.

But a county won't just get money from the bond issue by holding out its hand. It will have to prove that it is making maximum use of its existing jail facilities, is using alternatives to jailing where possible (road camps, weekend sentences, community service sentences, etc.), and has tried its best to meet its own needs. A county must also put up 25 percent of the cost of the new facilities.

We urge you to vote "yes" on Proposition 2. It won't solve the crime problem by itself, but it can help keep offenders from roaming the streets who ought to b locked up.

TOM BRADLEY
Los Angeles Mayor
Former Lieutenant, LAPD

SHERMAN BLOCK
Sheriff, Los Angeles County

ROBERT PRESLEY
State Senator, 34th District
Author of Proposition 2

Rebuttal to Argument in Favor of Proposition 2

Proposition 2 *WILL RAISE TAXES* and may actually *increase* crime.

Its proponents say this boondoggle will not raise taxes. This is totally untrue. In fact, this $280,000,000 bond issue will cost California taxpayers close to *$800,000,000* over the next 20 years. (The 25-percent matching fees paid by the counties bring the total cost closer to *$900,000,000.*) Most of this money won't go toward jail construction, but to the banks and insurance companies that buy these bonds.

The fact that another billion-dollar bond issue passed in June to build new prisons is no reason for the voters to spend even more money. Prisons and jails are overcrowded because the "less dangerous inmates" the proponents speak of are mostly peaceful people in jail for victimless "crimes."

Over 50 percent of those arrested are victimized by these laws—which regulate gambling, voluntary sexual activities, and other aspects of personal life. Most of these people serving time are sent to county jails.

Proposition 2 supporters point to the trend toward more repressive laws as another reason for new jails. But oppressive taxes like Proposition 2 eliminate jobs and put more poor people out of work. Some turn to crime. Many turn to peaceful, profitable activities which are currently illegal. As taxes go up, the state creates more criminals to put in their new jails. It's a never-ending cycle.

Such a program can only create more crime, higher taxes, and a more repressive system.

Vote NO on Proposition 2.

JOE FUHRIG
Libertarian Party Candidate for U.S. Senate

DAN DOUGHERTY
Libertarian Party Candidate for Governor

BART LEE
Libertarian Party Candidate for Attorney General

County Jail Capital Expenditure Bond Act of 1981 2

Argument Against Proposition 2

The $280,000,000 special revenue bond earmarked for construction of new county jails is a misguided, expensive attempt to solve a very real problem: overcrowded, inhumane conditions in our jails.

But that problem is rooted in our current criminal justice system and the existence of oppressive laws which create a whole category of victimless "crimes."

Over 50 percent of those arrested in California are victimized by the existence of these laws—which regulate drug use, voluntary sexual activities, gambling, and other aspects of personal life. Most of those convicted and serving time are sent to our county jails. While violent criminals roam our streets, our extensive county jail system is filled to overflowing with people who have injured no one else.

Most prison administrators and experts agree that we could deal much more effectively with violent criminals if only we removed the peaceful citizens from the jail system.

A top official of California's correctional system recently pointed out that "in America, we lock up more people (per capita) than any other country except South Africa and the Soviet Union, *yet we have the highest crime rates.*"

It should be clear that putting more money into our jail system to lock up more people will only compound the problem. What we need to do is to remove the victims of victimless crime laws from the jails and move toward crime prevention and restitution to the victim as the top priorities.

As with any bond issue, the interest payments are not listed in the ballot proposal. Rather than $280,000,000, the real cost of this scheme will be $700,000,000 to $800,000,000 paid to the banks and insurance companies that buy these bonds. And, with over 30 percent of the available money being loaned to the government, bond issues like this drive up interest rates and crowd out small private borrowers.

With the passage of Proposition 1 on the June ballot—a one-billion-dollar boondoggle to build more state prisons—the rationale for more jails is even less credible. Building more jails won't solve the problem, because our present system *is* the problem. More of the same is not the solution.

It's up to you. You can vote to saddle the taxpayers with 20 years of interest payments to lock up more people in our failing system. Or you can reject this measure and urge the politicians to lock up the real criminals, not peaceful citizens.

VOTE NO ON PROPOSITION 2.

JOE FUHRIG
Libertarian Party Candidate for U.S. Senate

DAN DOUGHERTY
Libertarian Party Candidate for Governor

BART LEE
Libertarian Party Candidate for Attorney General

Rebuttal to Argument Against Proposition 2

Among questionable points in opponents' arguments:

1. How much weight should you give to recommendations on crime issues by ANY group saying we can solve jail overcrowding by just releasing all those charged with what they term "victimless" crimes? They list these as drug use (including heroin? PCP?), voluntary sex acts (incest? prostitution?), and "other aspects of personal life" (drunk driving?).

2. Opponents say overcrowding results because persons accused of these crimes comprise over 50 percent of jail population. Actually the statewide percentage is about 10 percent.

3. Counties already use *many* methods to reduce nonviolent jail population: bail, O.R., drug diversion, weekend sentences, work-release programs. Many counties that lead in use of these alternatives, such as Los Angeles County, still face serious overcrowding. To qualify for bond funds a county must prove it has serious overcrowding AND makes maximum use of jail alternatives.

4. Opponents say violent criminals roam our streets. Yet they oppose the prison and jail bond issues that would provide facilities to imprison such criminals.

5. Opponents would probably agree a growing county may need a bigger courthouse, more schools, fire stations. Yet they cannot grasp that a 40-year-old jail may no longer be safe or large enough.

6. The Legislative Analyst says the bond issue principal plus interest will total about $550 million, NOT the $700–$800 million claimed by opponents. California would pay back an average of $28 million yearly over 20 years. This won't raise taxes, but bonds help spread the costs among future citizens who also benefit.

SHERMAN BLOCK
Sheriff, Los Angeles County

JOHN GARAMENDI
State Senator, 13th District
Majority Leader

ROBERT PRESLEY
State Senator, 34th District
Author of Proposition 2

3 Veterans Bond Act of 1982

Official Title and Summary Prepared by the Attorney General

FOR THE VETERANS BOND ACT OF 1982. This act provides for a bond issue of four hundred fifty million dollars ($450,000,000) to provide farm and home aid for California veterans.	
AGAINST THE VETERANS BOND ACT OF 1982. This act provides for a bond issue of four hundred fifty million dollars ($450,000,000) to provide farm and home aid for California veterans.	

FINAL VOTE CAST BY THE LEGISLATURE ON AB 3571 (PROPOSITION 3)

Assembly—Ayes, 62 Noes, 0

Senate—Ayes, 29 Noes, 1

Analysis by the Legislative Analyst

Background:

In the past, the voters on numerous occasions have authorized the state to sell general obligation bonds for the purpose of financing the veterans' farm and home loan program. (A general obligation bond is backed by the full faith and credit of the state, meaning that, in issuing the bonds, the state pledges to use its taxing power to assure that sufficient funds are available to pay off the bonds.) The total amount of general obligation bond sales authorized by the voters for this program since 1921 is nearly $4.7 billion.

The proceeds of these bond sales have been used by the Department of Veterans Affairs to purchase farms, homes, and mobilehomes on behalf of qualified California veterans. These properties have then been resold to the veterans. Each participating veteran makes monthly payments designed to (1) reimburse the department for the costs it incurs in purchasing the farm, home, or mobilehome, (2) cover all costs resulting from the sale of the bonds, including interest on the bonds, and (3) cover the costs of operating the loan program. Because the state is able to borrow at interest rates that are well below those charged to individuals, the veteran's monthly payments for the purchase of a farm, home, or mobilehome under this program are less than what he or she would otherwise be required to make.

Under the veterans' loan program, the maximum loan amount is $55,000 for homes and mobilehomes not situated in a mobilehome park, $35,000 for mobilehomes in a mobilehome park, and $180,000 for farms. Existing law permits a $5,000 increase in these loan amounts for homes equipped with solar energy heating devices. This does not include devices for heating swimming pools, hot tubs, saunas, and spas, except when such facilities can be shown to be medically necessary for a disabled veteran.

Existing law also requires the Department of Veterans Affairs to reserve, for two years, 10 percent of the proceeds from any bond sale authorized by the voters on or after June 3, 1980, for the construction, purchase, or improvement of homes that are equipped with, or to be improved by, the installation of solar energy heating devices, other than solar energy heating devices for swimming pools, hot tubs, saunas, and spas. Any unused portion of this reserve is to be made available for the regular loan program after the two-year period.

Proposal:

This proposition, the Veterans Bond Act of 1982, would authorize the state to issue and sell $450 million in bonds to continue the veterans' farm and home loan program. These bonds would be fully backed by the state, in that the state would pledge to the bondholder use of its taxing power, if necessary, to assure that both the amount borrowed and interest on this amount are fully paid. This proposition would allow the state to sell bonds at a discount of up to 6 percent of their face value.

Fiscal Effect:

Under current law the state can sell bonds at any rate of interest up to 11 percent. If the full $450 million in bonds were sold at the maximum interest rate and paid off over a 25-year period, the total interest cost incurred by the state on the bonds would be about $720 million. Thus, the cost to the state of paying the principal and interest on the bonds authorized by this measure could total $1.17 billion. This cost would be less to the extent the bonds were sold at interest rates below 11 percent.

By permitting the state to sell bonds at a discount, the measure could result in less than $450 million being available for loans to veterans. At the same time, however, selling the bonds at a discount could result in a lower interest rate on the bonds than would otherwise be possible.

The extent to which the state would incur any net costs under this proposition would depend on how much money was received from veterans. If the pay-

ments made by those veterans participating in the farm and home loan program did not cover the costs of the bonds, the state's taxpayers would be required to pay the difference. Throughout its history, however, the loan program has been totally supported by the participating veterans at no direct cost to the taxpayer.

The state and local governments could incur higher costs under other bond finance programs if the bond sales authorized by this measure result in a higher overall interest rate on state and local bonds. These additional costs are unknown.

The interest paid by the state on these bonds would be exempt from the state personal income tax. Therefore, to the extent that the bonds are purchased by California taxpayers in lieu of taxable bonds, the state would experience a loss of income tax revenue. It is not possible, however, to estimate what this revenue loss would be.

Text of Proposed Law

This law proposed by Assembly Bill 3571 (Statutes of 1982, Ch. 304) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law expressly adds sections to the Military and Veterans Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Article 5q (commencing with Section 998.052) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5q. Veterans Bond Act of 1982

998.052. This article may be cited as the Veterans Bond Act of 1982.

998.053. The State General Obligation Bond Law, except as otherwise provided herein, is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this article, and the provisions of that law are included in this article as though set out in full in this article. All references in this article to "herein" shall be deemed to refer both to this article and such law.

998.054. As used in this article and for the purposes of this article as used in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the following words shall have the following meanings:

(a) "Bond" means veterans bond, a state general obligation bond issued pursuant to this article adopting the provisions of the State General Obligation Bond Law.

(b) "Committee" means the Veterans' Finance Committee of 1943, created by Section 991.

(c) "Board" means the Department of Veterans Affairs.

(d) "Fund" means the Veterans' Farm and Home Building Fund of 1943, created by Section 988.

(e) "Bond act" means this article authorizing the issuance of state general obligation bonds and adopting Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code by reference.

998.055. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the provisions of the Veterans' Farm and Home Purchase Act of 1974 and of all acts amendatory thereof and supplemental thereto, the Veterans' Finance Committee of 1943, created by Section 991, shall be and hereby is authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of four hundred fifty million dollars ($450,000,000) in the manner provided herein, but not otherwise, nor in excess thereof.

998.056. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on such bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collections of such revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates on which funds are remitted pursuant to Section 16676 of the Government Code for the payment of the then maturing principal and interest of the bonds in each fiscal year, there shall be returned into the General Fund in the State Treasury, all of the money in the Veterans' Farm and Home Building Fund of 1943, not in excess of the principal of, and interest on, such bonds then due and payable, except as hereinafter provided for the prior redemption of such bonds, and, in the event such money so returned on said remittance dates is less than such principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State Treasury out of the Veterans' Farm and Home Building Fund of 1943 as soon thereafter as it shall become available, together with interest thereon from such dates of maturity until so returned at the same rate as borne by such bonds, compounded semiannually.

998.057. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this article such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of, and the interest on, the bonds issued and sold pursuant to the provisions of this article, as such principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 998.058, which sum is appropriated without regard to fiscal years.

998.058. For the purposes of carrying out the provisions of this article, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized to be sold for the purpose of carrying out this article. Any amounts withdrawn shall be deposited in the Veterans' Farm and Home Building Fund of 1943. Any moneys made available under this article to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this article, together with interest at the rate of interest fixed in the bonds so sold.

998.059. Upon request of the Department of Veterans Affairs, supported by a statement of the plans and projects of such department with respect thereto, and approved by the Governor, the Veterans' Finance Committee of 1943 shall determine whether or not it is necessary or desirable to issue any bonds authorized under this article in order to carry such plans and projects into execution, and, if so, the amount of bonds then to be issued and sold. Successive issues of bonds may be authorized and sold to carry out said plans and projects progressively, and it shall not be necessary that all the bonds herein authorized to be issued shall be sold at any one time.

998.060. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports, and such independent public accountant shall forward copies of such reports to the Director of Veterans Affairs, the members of the California Veterans Board, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse such independent public accountant for his services out of any funds which such division may have available on deposit with the Treasurer of the State of California.

998.061. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

Notwithstanding Section 16754 of the Government Code, the committee may, whenever it deems it necessary to an effective sale, authorize the State Treasurer to sell any issue of bonds at less than the par value thereof. However, the discount on the bonds so sold shall not exceed 6 percent of the par value thereof.

998.062. Whenever bonds are sold, out of the first money realized from their sale, there shall be redeposited in the General Obligation Bond Expense Revolving Fund established by Section 16724.5 of the Government Code such sums as have been expended for the purposes specified in Section 16724.5 of the Government Code, which may be used for the same purpose and repaid in the same manner whenever additional sales are made.

3 Veterans Bond Act of 1982

Argument in Favor of Proposition 3

The Veterans Bond Act of 1982 will cost taxpayers nothing. Passage of this proposition will enable the entirely self-supporting Cal-Vet program to make over 8,500 new farm and home loans to worthy veterans.

Since 1921, through 19 previous bond propositions, the people of California have recognized a special debt of honor to fellow Californians who have served our country in the armed forces. This recognition has been expressed in the Cal-Vet loan program, which enables California veterans to qualify for low-interest loans to purchase or improve homes, mobilehomes, and farms.

There are 3.4 million California veterans in the state. Of these, 80,000 are women. These veterans served us in World War I, World War II, Korea, and Vietnam. While some states have given their veterans cash bonuses, California instead has long provided a loan program of more lasting benefit.

Voter-approved general obligation bonds to finance the Cal-Vet program are repaid, as are all administrative costs, from the loan payments made by veterans holding loans. Financially, the program has proved to be unfailingly safe and sound. Not a dime of General Fund money supports this program.

Along with assisting veterans in their efforts to rejoin the "mainstream" of California life, the Cal-Vet program benefits the entire state economy. Directly and indirectly, Cal-Vet farm and home loans generate thousands of California jobs, millions of dollars in payroll, and economic opportunities for all industries and businesses, professions, and trades connected with or serving the housing market.

More than 375,000 California veterans have become farm and home owners through this successful program during the past 60 years. Approximately 67 percent of these loans have already been paid off.

Loan applications by qualified veterans are in great demand, particularly during the currently tight housing market. This is an era of scarce housing at high prices. Your "YES" vote on Proposition 3 will stimulate jobs in the real estate, construction, and insurance industries by enabling more of our veterans to buy farms and homes in California at NO COST TO THE TAXPAYER.

RICHARD ALATORRE
Member of the Assembly, 55th District

JOSEPH MONTOYA
State Senator, 26th District

RICHARD KEITH
Chairman, California Veterans Board

Rebuttal to Argument in Favor of Proposition 3

All the benefits of the proposed bill are pale in comparison with their adverse effect on THE SINGLE GREATEST ISSUE OF OUR TIME: the vanishing value of our currency.

Printing press money is one of the signs of a civilization near collapse, like our own.

The authors of this bill are kind enough to raise the issues of cost to the taxpayers, our indebtedness to California veterans, other states' methods of rewarding their veterans, the role of General Fund money, the effect on California's economy, and how good past loans have been.

The bill would cost taxpayers everything: the value of their dollar.

California's indebtedness to our veterans is being repaid by a loan program of everlasting deficit.

Since so inflationary, the Cal-Vet program would be a burden on the entire state economy, which eliminates millions of jobs in the private sector. It would generate millions of printing press dollars without promoting productivity. It would help only the public sector of our economy.

Already more than 100,000 of these loans are still outstanding. But the General Fund would have unlimited liability for the success of this program by guaranteeing repayment to bondholders of only 450 million dollars plus interest. So, not "not a dime," but rather a half billion dollars of General Fund money, would be tied up by the proposed program.

Now let's really give our future boys something to fight for, while protecting the investment of our current veterans, by collecting those unpaid loans and by voting NO on Proposition 3.

DAVID EDWARD SILVERSTONE

Argument Against Proposition 3

There is only one issue here: the high cost of money.

At a critical time, when demand for money is at an all-time high, this bill proposes to request only 450 million dollars more from California taxpayers, just to fund farm and home aid for California veterans.

California veterans are embarrassed and angry at being coerced into participation in this assault on the value of the dollar!

DAVID EDWARD SILVERSTONE

Rebuttal to Argument Against Proposition 3

The Veterans Bond Act of 1982 will cost taxpayers nothing! Throughout the 60-year life of this successful program it has been entirely self-supporting. To state otherwise is a misrepresentation of fact.

The Cal-Vet Loan Program has enabled many thousands of California veterans to qualify for low-interest loans. All program costs are recovered through loan payments which are made under contract.

California veterans' organizations are enthusiastically endorsing this proposition, because they realize it is self-supporting, vitally needed, and will have a highly positive impact on California's economy.

RICHARD ALATORRE
Member of the Assembly, 55th District

Remember to Vote

Tuesday, November 2, 1982

4 Lake Tahoe Acquisitions Bond Act

Official Title and Summary Prepared by the Attorney General

FOR THE LAKE TAHOE ACQUISITIONS BOND ACT. This act provides funding for the purchase of property in the Lake Tahoe Basin, which is necessary to prevent the environmental decline of this unique natural resource, to protect the waters of Lake Tahoe from further degradation, and to preserve the scenic and recreational values of Lake Tahoe. The amount provided by this act is eighty-five million dollars ($85,000,000).	
AGAINST THE LAKE TAHOE ACQUISITIONS BOND ACT. This act provides funding for the purchase of property in the Lake Tahoe Basin, which is necessary to prevent the environmental decline of this unique natural resource, to protect the waters of Lake Tahoe from further degradation, and to preserve the scenic and recreational values of Lake Tahoe. The amount provided by this act is eighty-five million dollars ($85,000,000).	

FINAL VOTE CAST BY THE LEGISLATURE ON SB 12 (PROPOSITION 4)

Assembly—Ayes, 56 Noes, 15 Senate—Ayes, 27 Noes, 6

Analysis by the Legislative Analyst

Background:

In recent years environmental restrictions enacted by state, regional, and local agencies, as well as other state and local policies, have significantly limited the development of private property in the Lake Tahoe region. As a result, the value of such property has been reduced.

The state generally has not sought to purchase undeveloped private property that is subject to land-use restrictions unless the property has recreational value and warrants inclusion in the California state park system.

Proposal:

This measure, the Lake Tahoe Acquisitions Bond Act, would authorize the state to issue and sell $85 million in state general obligation bonds. (A general obligation bond is backed by the full faith and credit of the state, meaning that, in issuing the bonds, the state pledges to use its taxing power to assure that sufficient funds are available to pay off the bonds.) The proceeds from this bond sale would be used to acquire undeveloped land in the Lake Tahoe region, including property that has been subdivided and improved with streets and utilities but which contains no structures. The following types of undeveloped land could be purchased with the bond proceeds:

(a) Lands threatened with development that would adversely affect the natural environment. (In purchasing land in this category, preference would be given to acquisitions within stream environment zones and parcels that, if developed, would likely to adversely affect the waters of the Lake Tahoe region.)

(b) Lands that would provide lakeshore access to the public for wildlife habitat, for recreation, or for a combination of these uses.

(c) Lands not meeting either of the first two requirements, but which, if acquired, would provide access to other public lands or consolidate ownership for more effective management.

If the value of any land proposed for acquisition has been substantially reduced as a result of state or local legislation, ordinance, regulation, or order adopted after January 1, 1980, for the purpose of protecting water quality or other resources in the Lake Tahoe region, the bond act would permit the purchasing agency to acquire the land for a price which "assures fairness to the landowner." In determining this price, the purchasing agency would be authorized to consider (1) the price which the owner originally paid for the land, (2) any special assessments paid by the landowner, and (3) any other factors which would ensure that the landowner receives a fair and reasonable price for the land.

Bond proceeds could not be used to acquire land that has been designated and authorized for purchase by the U.S. Forest Service. Under federal law (popularly known as the Burton-Santini Act), the U.S. Forest Service has mapped about 8,000 unimproved, privately owned lots totaling 21,000 acres in the Tahoe Basin which are eligible for purchase. Generally, these are lands considered environmentally sensitive because of their proximity to stream environment zones or the lake shoreline, or their potential for erosion. The amount of land that actually will be purchased under the federal program is unknown at this time. It will depend on (1) the amount appropriated by Congress for acquisition of such lots, and (2) the willingness of owners to sell to the Forest Service.

The proceeds from the sale of bonds authorized by

the Lake Tahoe Acquisitions Bond Act could be expended by whichever federal, state, regional, or local agency is designated to acquire property in the region by a statute enacted in accordance with the recommendations of the Lake Tahoe Area Land Acquisition Commission. (This commission was authorized by Chapter 833, Statutes of 1980, but it has not been activated.) If no such agency is designated by July 1, 1984, the proceeds from the bonds would be made available to the California Tahoe Conservancy Agency for expenditure. Under existing law, this agency is authorized to acquire private land through purchase, gifts, and exchanges. It is also authorized to enter into agreements to manage land that is under its ownership or control, in cooperation with local, state, or federal agencies. The agency has a governing body consisting of members of the public appointed by local government and the California Legislature, and representatives of the Secretary of the Resources Agency and the U.S. Secretary of Agriculture.

Fiscal Effect:

The fiscal effect of this measure can be separated into five components:

1. **Debt service.** Assuming that bonds sold under this program carry an interest rate of 11 percent—the legal maximum for general obligation bonds—and a 20-year repayment period, the interest on the $85 million in bonds would be approximately $98 million. Thus, the principal and interest cost to the state of the bonds authorized by this measure could total $183 million. This cost would be paid from the State General Fund.

2. **Cost of financing other state/local programs.** If the sale of bonds authorized by this measure results in a higher overall interest rate on bonds issued to finance other state and local programs, state and local borrowing costs would be increased by an unknown, but probably moderate, amount.

3. **Operating and maintenance costs.** To the extent lands in the Lake Tahoe region are acquired as a result of this measure, the entity responsible for managing these lands would incur additional costs. The amount of these operating and maintenance costs is unknown and would depend on how the acquired properties are managed.

4. **State revenue loss.** The interest paid to holders of the bonds authorized by this measure would be exempt from the state personal income tax. Therefore, to the extent that California taxpayers purchase these bonds in lieu of taxable bonds, there would be a loss of income tax revenue to the state. Any such loss probably would be minor.

5. **Local government revenue loss.** To the extent privately owned lands are acquired by the state under this measure, local governments in the Lake Tahoe region would experience a reduction in property tax revenues. This loss would depend on (1) the location of such acquisitions and (2) the assessed value of the lands. Under existing law, state payments to school districts would increase automatically to cover the revenue losses incurred by school districts. No state payments would be made to cover the property tax losses experienced by other local governments.

Text of Proposed Law

This law proposed by Senate Bill 12 (Statutes of 1982, Ch. 305) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law expressly adds sections to the Government Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title 7.43 (commencing with Section 66950) is added to the Government Code, to read:

TITLE 7.43. LAKE TAHOE ACQUISITIONS BOND ACT

CHAPTER 1. FINDINGS AND DECLARATIONS

66950. This title shall be known and may be cited as the Lake Tahoe Acquisitions Bond Act.

66951. It is found and declared that:

(a) The waters of Lake Tahoe and other resources of the region are threatened with deterioration or degeneration which endangers the natural beauty and economic productivity of the region.

(b) The state and federal interests and investments in the region are substantial.

(c) The region exhibits unique state and national environmental and ecological values which are irreplaceable.

(d) By virtue of the special conditions and circumstances of the region's natural ecology, developmental pattern, population distribution, and human needs, the region is experiencing problems of resource use and deficiencies of environmental control.

(e) Increasing urbanization is threatening the ecological values of the region and threatening the public opportunities for use of the public lands.

(f) Maintenance of the social and economic health of the region depends on maintaining the significant scenic, recreational, educational, scientific, natural, and public health values provided by the Lake Tahoe Basin.

(g) There is a state and national interest in protecting, preserving, and enhancing these values for the residents of the region and for visitors to the region.

CHAPTER 2. FISCAL PROVISIONS

66952. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued pursuant to this title, and the provisions of that law are included in this title as though set out in full in this chapter except that, notwithstanding any provision of the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 20 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of such series.

66953. As used in this title, and for the purposes of this title, the following words shall have the following meanings:

(a) "Committee" means the Lake Tahoe Acquisitions Finance Committee created by Section 66955.

(b) "Fund" means the Lake Tahoe Acquisitions Fund.

(c) "Lake Tahoe region" and "region" means the area consisting of Lake Tahoe, the adjacent parts of the Counties of Placer and El Dorado lying within the Tahoe Basin in the State of California, and that additional and adjacent part of the County of Placer outside the Tahoe Basin in the State of California which lies southward and eastward of a line starting at the intersection of the basin crestline and the north boundary of Section 1, thence west to the northwest corner of Section 3, thence south to the intersection of the basin crestline and the west boundary of Section 10; all sections referring to Township 15 North, Range 16 East, M.D.B. and M.

(d) "Agency" means the agency authorized under Section 66957 to expend money in the fund.

66954. There is in the State Treasury the Lake Tahoe Acquisitions Fund, which fund is hereby created.

66955. For the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this title, the Lake Tahoe Acquisitions Finance Committee is hereby created. The committee consists of the Governor or his designated representative, the Controller, the Treasurer, and the Director of Finance. The Lake Tahoe Acquisitions Finance Committee shall be the "committee" as that term is used in the State General Obligation Bond Law, and the Treasurer shall serve as chairman of the committee.

66956. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of eighty-five million dollars ($85,000,000), in the manner provided in this title. The debt or debts, liability or liabilities, shall be created for the

Continued on page 62

4 Lake Tahoe Acquisitions Bond Act

Argument in Favor of Proposition 4

Lake Tahoe—One of a Kind

Lake Tahoe is one of California's most scenic treasures. Formed millions of years ago by glacial action, the lake is surrounded by forested mountains and has scores of bays that reflect an azure sky. Lake Tahoe's water is extraordinarily clear. Visibility is possible to depths over 100 feet.

Tahoe's legendary clear water is threatened by the growth of algae. Erosion from construction and other human activities wash sediment and nutrients into the lake. In the past two decades erosion rates have increased twentyfold over natural levels. The measured alga growth has increased 100 percent during this period. If this trend continues, Tahoe's blue water will change to green and lose its precious clarity.

Protection of Tahoe's unique ecological and recreational values is mandated by law. In 1980, to comply with the Federal Clean Water Act, the State Water Resources Control Board adopted regulations that identified some 7,100 parcels of Tahoe property on which erosion from construction activity would severely degrade Tahoe's water quality. These are individual vacant parcels located in stream zones, on steep slopes or meadowlands. To protect Tahoe's water quality from further degradation, building on these parcels has been severely restricted.

When owners are precluded by government regulation from developing their property, the owners are entitled, as a matter of equity, to fair compensation. Proposition 4 recognizes this equitable obligation and provides funds necessary to buy some 5,000 parcels of land, in the most fragile ecological areas.

The remaining lots will be purchased with federal funds made available by sale of surplus land in Nevada. Only California parcels will be purchased.

The Tahoe Area Land Acquisition Commission has been created specifically to carry out the Tahoe Bond Act. The 15-member commission will represent Tahoe constituents and the public. The commission's responsibility is to make recommendations to the Legislature by March 1983 on how the land should be acquired and a fair price formula. The commission's recommendations will be subjected to the legislative process, including committee hearings, to guarantee that the public's and property owners' rights are protected. The land acquisitions can proceed only after the commission's recommendations have been approved by the Legislature.

Lake Tahoe is a natural resource enjoyed each year by millions of Californians. Preserving Lake Tahoe's scenic beauty is a responsibility that should be shared by all Californians. These bonds will ensure protection of Lake Tahoe, surely one of a kind, for future generations.

KENNI FRIEDMAN
President, League of Women Voters of California

KIRK WEST
Executive Vice President, California Taxpayers' Association

MICHAEL R. PEEVEY
President, California Council for Environmental and Economic Balance

Rebuttal to Argument in Favor of Proposition 4

If the landowners, residents, and business people of the Lake Tahoe Basin are too shortsighted, too improvident, or simply don't care to preserve this scenic treasure, then the responsibility may fall on the federal government, which enacted the Clean Water Act.

The prosperous Lake Tahoe community enjoys a year-round lucrative tourist season, and there is no reason for it to belly up to the public trough.

If the federal government must assume responsibility for the welfare of the Lake Tahoe area, then the funds should come from the sale of some of the 45 million acres of California presently owned by the United States government.

The sale of federal land would benefit Californians in three ways: it would save us the cost of maintaining and administering the land, it would put more property on the tax rolls, and, thirdly, it would give more Californians an opportunity to own some land.

GEORGE E. A. WHYTE

Argument Against Proposition 4

The solution of the Lake Tahoe Basin's environmental problems is a local matter. State and federal interests are no greater here than elsewhere—a large part of Lake Tahoe, its shoreline and basin is in Nevada. Acquisition of private lands and their subsequent maintenance by the state primarily benefit the remaining private properties in the basin in two ways. One, by maintaining or increasing the natural beauty and economic health of the region and, two, by restricting the amount of property available for development, it increases the value of the remaining properties. The local economy and the local political bodies in both California and Nevada have ample means to safeguard their own environment and economic base.

Passage of this measure will place additional financial burdens on all Californians, not just those few who can enjoy Lake Tahoe's scenic beauty. Citizens in the rest of California are paying dearly with restrictions on their freedom and in taxes to solve their own local environmental and economic problems, so why shouldn't the Lake Tahoe set in both California and Nevada pay their own way?

Vote AGAINST the Lake Tahoe Acquisitions Bond Act unless you own property around the lake.

GEORGE E. A. WHYTE

Rebuttal to Argument Against Proposition 4

For each Californian the cost of this bond issue amounts to pennies—an average of 39¢ a year. Surely this is a small, but wise, investment to protect a California resource that is truly one of a kind.

JOHN GARAMENDI
State Senator, 13th District

Apply for Your Absentee Ballot Early

5 First-Time Home Buyers Bond Act of 1982

Official Title and Summary Prepared by the Attorney General

FOR THE FIRST-TIME HOME BUYERS BOND ACT OF 1982. This act provides for a bond issue of two hundred million dollars ($200,000,000) to provide funds for financing housing.	
AGAINST THE FIRST-TIME HOME BUYERS BOND ACT OF 1982. This act provides for a bond issue of two hundred million dollars ($200,000,000) to provide funds for financing housing.	

FINAL VOTE CAST BY THE LEGISLATURE ON AB 3507 (PROPOSITION 5)

Assembly—Ayes, 62 Noes, 2 Senate—Ayes, 29 Noes, 2

Analysis by the Legislative Analyst

Background:

The California Housing Finance Agency (CHFA) makes financing opportunities available for the construction, rehabilitation and purchase of housing for low- and moderate-income families and individuals. The agency has secured funds to support its activities from the sale of nontaxable *revenue* bonds and notes. (Revenue bonds are backed by the income derived from the project financed by the bonds.) The proceeds of these bonds and notes are used to provide loans and insurance through private lenders for the housing.

CHFA-issued revenue bonds are to be paid off from repayments on mortgages financed from the bond proceeds. The state is not legally obligated to pay off bondholders in the event loan repayments are not sufficient to fully cover the principal and interest costs associated with the outstanding CHFA bonds. However, the Legislature has appropriated $20 million from the state's General Fund which has been loaned to the agency to provide a reserve fund from which payment on the revenue bonds may be made in the event of loan defaults.

Currently the CHFA has authority to sell up to $1.5 billion in revenue bonds. As of July 1, 1982, the agency had sold approximately $1,044,975,000 of bonds, or 69.7 percent of its bond-issuing authority.

Under existing law the CHFA has no authority to sell state *general obligation* bonds to provide financing for housing mortgage loans. A general obligation bond is backed by the full faith and credit of the state, meaning that, in issuing the bonds, the state pledges to use its taxing power to assure that sufficient funds are available to pay off the bonds.

Proposal:

This measure, the First-Time Home Buyers Bond Act of 1982, would authorize the state to issue and sell $200 million in state general obligation bonds. The money raised by the bond sale would be used by the CHFA to provide housing mortgage loans under the Cal-First Home Buyers Act.

The Cal-First Home Buyers Act establishes a graduated mortgage payment program primarily for first-time home buyers in California. Under this act, a "first-time home buyer" is defined as a person purchasing an owner-occupied housing unit who has not owned a principal residential unit at any time in the three prior years. The three-year limitation, however, would not apply to a purchaser of a principal residence in a "targeted area" of the state. A "targeted area" is defined by the act as a federally designated census tract in which at least 70 percent of the families have an income which does not exceed 80 percent of the statewide median family income, or an area of economic distress which satisfies federal criteria. Loans provided under this program may not exceed 90 percent of the value of the acquired property.

This program is to be administered by CHFA under regulations adopted by the First-Time Home Buyers Policy Committee, which is composed of selected members of the CHFA Board of Directors. Under the program, the CHFA would use the $200 million in bond sale proceeds to make payments on behalf of first-time home buyers to private lending institutions. Lenders receiving these payments would offer mortgages to eligible home buyers at a reduced interest rate. The interest rate reduction in the *first* year of the mortgage could be no more than 5 percentage points below the prevailing mortgage interest rate at the time the loan is obtained. (Thus, if the market rate is 15 percent, the rate on mortgage loans made under this program could be as low as 10 percent.) The interest rate (and thus monthly mortgage payments) would be adjusted annually in equal increments until, at the end of the sixth year, it is equal to market interest as determined at the time the loan is obtained.

Loans under the program would be made for a minimum of 6 years and a maximum of 30 years. Any loan offered by a mortgage lender for a term of less than 30 years could be amortized based on a 30-year term, with a "balloon" payment falling due at the end of the term specified in the mortgage agreement.

Borrowers would be required to execute a second mortgage to CHFA and pay to CHFA an amount equal to what the CHFA paid to the lender, plus interest at a rate calculated to cover both the agency's borrowing and administrative costs. At the discretion of CHFA, these repayments may (1) become due and fully payable at he end of 6 years, or (2) be payable on an amortized basis over the latter 24 years of the original 30-year loan, or (3) be payable under other terms for any amount of time from 6 to 30 years.

The rate of interest CHFA may charge on its loan to the borrower is limited by federal law to 1 percent above the yield on the general obligation bonds issued to fund the program.

Fiscal Effect:

The fiscal effect of this measure can be separated into three components:

1. **Debt service.** Assuming that bonds sold under this program carry an interest rate of 11 percent—the legal maximum for general obligation bonds—and a 30-year term, the interest on the $200 million in bonds would be approximately $341 million. Thus, the principal and interest cost to the state of the bonds authorized by this measure could total $541 million. This cost would be paid by the State General Fund. In future years revenues derived from loan repayments would reduce the net cost to the General Fund.

2. **Cost of financing other state/local programs.** If the sale of bonds authorized by this measure results in a higher overall interest rate on bonds issued to finance other state and local programs, state and local borrowing costs would be increased by an unknown amount.

3. **State revenue loss.** The interest paid to holders of the bonds authorized by this measure would be exempt from the state personal income tax. Therefore, to the extent that California taxpayers purchase these bonds in lieu of taxable bonds, there would be a loss of income tax revenue to the state. Any such loss probably would be minor.

Text of Proposed Law

This law proposed by Assembly Bill 3507 (Statutes of 1982, Ch. 320) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law expressly adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

CHAPTER 3. FIRST-TIME HOME BUYERS BOND ACT OF 1982

52525. This chapter shall be known and may be cited as the First-Time Home Buyers Bond Act of 1982.

52526. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter.

52527. The First-Time Home Buyers Finance Committee is hereby created. The committee shall consist of the Governor, the Controller, the State Treasurer, the Director of Finance, and the Chairperson of the First-Time Home Buyers Policy Committee. The State Treasurer shall serve as chairperson of the committee. Such committee shall be the "committee," as that term is used in the State General Obligation Bond Law. The Board of Directors of the California Housing Finance Agency shall be the "board," as that term is used in the State General Obligation Bond Law.

52528. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate of two hundred million dollars ($200,000,000), in the manner provided in this chapter. Such debt or debts, liability or liabilities, shall be created for the purpose of providing the funds to be used for the purposes specified in Section 52505 and shall be deposited in the First-Time Home Buyers Fund created pursuant to Section 52504.

52529. The committee, upon the request of the board stating the purposes for which the bonds are proposed to be used and the amount of the proposed issuance, shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter, and if so, the amount of bonds then to be issued and sold. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

52529.5. Notwithstanding the provisions of Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the policy committee may, whenever it deems it necessary to effectuate the provisions of this part or to conduct an effective sale, authorize the state treasurer to sell any issue of bonds under either, or both, of the following conditions:

(a) With interest payments to be made less frequently than semi-annually, and an initial interest payment later than one year after the date of the bonds, if such interest payment date shall not be later than the maturity date of the bonds and is fixed to coincide, as nearly as the committee may deem to be practicable, with the dates and amounts of the estimated revenues estimated to accrue to the fund pursuant to this part.

(b) At less than the par value thereof if necessary to an effective sale, but the discount pursuant to this subdivision shall not exceed 6 percent of the par value thereof.

52530. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on such bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of such revenue to do and perform each and every act which shall be necessary to collect such additional sum.

All money deposited in the fund which has been derived from premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

All money deposited in the fund pursuant to any provision of law requiring repayments to the state which are financed by the proceeds of the bonds authorized by this chapter shall be available for transfer to the General Fund. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which has been paid from the General Fund.

52531. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter.

(b) Such sum as is necessary to carry out the provisions of Section 52532, which sum is appropriated without regard to fiscal years.

52532. For the purpose of carrying out the provisions of this chapter, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the committee in accordance with this chapter. Any money made available under this section to the First-Time Home Buyers Fund shall be returned by the First-Time Home Buyers Fund to the General Fund from repayments received from the first-time home buyers. Such withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would have otherwise been earned by such sums in the Pooled Money Investment Fund.

52533. Money in the First-Time Home Buyers Fund may only be expended for projects specified in this chapter.

5 First-Time Home Buyers Bond Act of 1982

Arguments in Favor of Proposition 5

A YES vote on Proposition 5 will trigger affordable home ownership opportunities for tens of thousands of first-time home buyers who are now blocked from entering the housing market.

Proposition 5 will provide first-time home buyers with short-term mortgage loan assistance AT ABSOLUTELY NO COST TO THE STATE OR TAXPAYERS. This is not a traditional bond issue: it is entirely self-supporting. It is not a subsidy. All loans are repaid.

Billions of dollars of economic activity will be generated by construction, sales, and improvement of homes if this proposition passes.

This program is needed.

We are in the middle of a housing crisis which is strangling the California economy. Tens of thousands of people are trapped in homes they can't afford to leave and no one can afford to buy.

Even worse, our rate of economic growth and productivity is slipping as big companies pack their bags to move to other states where their employees can afford to live.

UNLESS YOU EARN MORE THAN $50,000 A YEAR, YOU CANNOT AFFORD THE AVERAGE CALIFORNIA HOME BECAUSE OF HIGH INTEREST RATES. Every year for the next ten years, 400,000 persons will enter the 25–34 age group. Most will be frustrated in their attempt to buy their first home under today's conditions.

HOW DOES THIS PROGRAM WORK? Proposition 5 allows the state to sell bonds to individual and institutional investors throughout the country. This money is deposited into a fund to "buy down" the financing costs on mortgage loans made by traditional private lenders to first-time home buyers.

The program reduces the interest rate to the home buyer by as much as 5 percent below the current market rate. Consider a young household trying to buy a $95,000 home at today's interest rate: their monthly payment would be over a thousand dollars! Under this program, the bond issue proceeds will be used to temporarily "buy down" the interest rate, reducing their monthly payment to around $750.

Over the next several years, the home buyer's monthly payments are gradually adjusted upward. After six years, the home buyer must start repaying the bond fund. He can pay it off gradually, or he can refinance his mortgage (refinancing is guaranteed). Of course, at any time the home buyer is free to sell the home, at which time the bond fund would immediately be repaid.

This program is not unusual:

1. Californians have supported bond issues to help veterans achieve home ownership for the past 60 years. NO BOND ISSUE FOR HOME OWNERSHIP HAS EVER COST THE TAXPAYERS OF THIS STATE A SINGLE DIME.
2. To aid the ailing housing industry in the 1930's, FHA was invented, by which government facilitated home ownership at no cost to taxpayers through the stimulation of private enterprise. Several generations of Americans were aided, and the economy was given a big boost.

A NEW GENERATION NEEDS A NEW PROGRAM, AND PROPOSITION 5 IS IT. VOTE YES.

BRUCE YOUNG
Member of the Assembly, 63rd District

We urge your support of Proposition 5, as it will provide a needed stimulus to our state economy.

TOM BRADLEY
Mayor, City of Los Angeles

GEORGE DEUKMEJIAN
Attorney General, State of California

Rebuttal to Arguments in Favor of Proposition 5

Superficially this program sounds great—money "at no cost to the state or taxpayer"—but in fact it won't work. It is similar in many ways to the "creative financing" schemes which have resulted in the highest foreclosure rate in California history since the Great Depression.

For example, payments on an $80,000 mortgage would be reduced from about $1,100 per month to $790 per month for a period of six years. However, at that time the total owed by the home owner would exceed $103,000 and his payments would exceed $1,400 per month. Instead of triggering opportunities, we may be triggering foreclosures and bankruptcies.

Proponents equate Proposition 5 with Cal-Vet. *There is no comparison.* Cal-Vet is a sound program in which money derived from low-interest bonds is loaned directly to home owners at long-term low rates. PROPOSITION 5, HOWEVER, IS A "BUY-DOWN" PROGRAM—A RISKY GIMMICK FOR THE HOME BUYER IN WHICH HE MUST ULTIMATELY PAY THE EXORBITANT INTEREST RATE.

Proponents exaggerate the economic effects of this measure. Instead of triggering affordable home ownership opportunities for "tens of thousands," the bond issue would service less than 9,000 home buyers.

If left alone, our free enterprise system will adjust itself. Governmental interference, such as this, can only make things worse.

Don't be misled by the political heavyweights; they can be wrong too.

DO NOT FALL FOR THIS SCHEME. VOTE *NO* ON PROPOSITION 5.

ROBERT WEAVER
Chairman, Taxpayers Against Bureaucracy

WALTER P. WALLACE
Director, Taxpayers Against Bureaucracy

WALTER A. SNELL
Director, Taxpayers Against Bureaucracy

Argument Against Proposition 5

At first glance this measure would seem to be a shot in the arm for the building industry and for first-time home buyers. However, closer examination shows it to be a wolf in sheep's clothing—no aid at all—and in fact the type of governmental interference which violently aggravates the problem.

This measure carries great dangers to the first-time home buyer. It would encourage him to buy beyond his means. Interest rates would initially be reduced by up to 5 percent, but at the end of six years the buyer would be faced with current interest rates *plus* repayment of the buy-down fee (5 percent per year) *plus* interest on that fee *plus* a share of the overhead. His payments would be astronomical. And the state, in many cases, would be forced to foreclose on those least able to afford it.

This act is not fair. It mandates that 72 percent of the money raised must be used in "an area of economic distress." This does not help the vast majority of Californians in need of lower interest rates. And it does nothing to lower interest rates overall. It would soak up $200 million from the capital market—a sum which otherwise may have been available for lending to the home mortgage market—and will tend to keep all interest rates at an artificially high level. Taxpayers will have to pay the difference between the interest the home buyer pays and the interest payable on the bonds.

The act would create an expanding bureaucracy which is "not subject to the supervision or budgetary approval of any officer or division of state government."

The net effect of this act is to encourage the poor to borrow more than they can afford, with the state eventually being forced to foreclose on aged indigents. Overall, this act will not do what it says it's going to do, is patchwork, poorly conceived, and another attempt to distort our free market system.

VOTE *NO* ON PROPOSITION 5.

ROBERT WEAVER
Chairman, Taxpayers Against Bureaucracy

WALTER P. WALLACE
Director, Taxpayers Against Bureaucracy

WALTER A. SNELL
Director, Taxpayers Against Bureaucracy

Rebuttal to Argument Against Proposition 5

No one will compel first-time home buyers to use this program. They will use it when they are ready.

Because it will be implemented through private lenders, each buyer will be screened to absolutely minimize the chance of foreclosure.

The opponents clearly don't understand that Proposition 5 is based upon a simple graduated payment concept—the same type of mortgage offered under a popular and successful FHA program. True, monthly payments will rise for six years, but *from* the low initial payments made possible by Proposition 5.

At the same time, the young family's income will also rise with inflation *and* upward job mobility, making the payments manageable.

Reliable projections indicate no problems—only opportunities—for home buyers. Details are available—write me at the State Capitol.

The opponents are wrong. There's no requirement to spend (or not spend) in distressed areas. Read it. Proposition 5 does not create an unsupervised, expanding bureaucracy—private lenders make the loans.

If opponents are concerned with "governmental interference" and oppose FHA and VA programs which assisted several generations to achieve home ownership without taxpayer cost, we disagree.

Finally, Proposition 5 does not take money away from the mortgage market. Every $100 million in bond proceeds will attract $940 million in private money back into mortgage lending.

Remember, Proposition 5 is self-supporting and it is in no way dependent upon taxpayer money to work.

It's prudent. It's job producing. It's needed.

California needs Proposition 5. *Vote YES.*

BRUCE YOUNG
Member of the Assembly, 63rd District

6 Public Pension Fund Investment

Official Title and Summary Prepared by the Attorney General

PUBLIC PENSION FUND INVESTMENT. LEGISLATIVE CONSTITUTIONAL AMENDMENT. Constitution presently permits Legislature to authorize public pension and retirement funds to invest up to 25 percent in common stock of corporations meeting prescribed standards. This measure permits authorizing public pension and retirement systems to instead invest up to 60 percent in such common stock and, within the 60 percent, 5 percent in stock of corporations not meeting certain present standards. Permits Legislature, within both limitations, to authorize 0.5 percent investment in corporations whose assets are in nonpublicly traded equity instruments. Provides assets of public pension or retirement funds are trust funds. Prescribes fiduciary standards for their investment. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: If implemented, could result in opportunities for increased earnings through higher dividends and capital gains, accompanied by greater risk to the participating public pension or retirement funds, which could entail capital losses to the funds.

FINAL VOTE CAST BY THE LEGISLATURE ON SCA 21 (PROPOSITION 6)

Assembly—Ayes, 65 Noes, 3

Senate—Ayes, 27 Noes, 10

Analysis by the Legislative Analyst

Background:

The State Constitution authorizes the Legislature to permit any public pension or retirement fund to invest up to 25 percent of its assets in common stocks, and up to 5 percent of its assets in preferred stocks of corporations which meet prescribed standards. (Preferred stocks are guaranteed priority by the issuing corporation over common stocks in the payment of dividends and the distribution of assets.) The standards established by the Constitution are as follows:

- The stock must be registered on a national securities exchange (except for preferred stock and the stock of certain banks and insurance companies);
- The corporation must have total assets of at least $100 million unless it is a specified mutual fund company;
- The outstanding bonds of the corporation must be qualified for investment under the law governing investments for the public retirement funds;
- There can be no delinquency in dividend payments on the preferred stocks; and
- A cash dividend shall have been paid on common stock in at least 8 of the last 10 years preceding the date of investment, the corporation must have paid an earned cash dividend in each of the last 3 years, and aggregate net earnings available for dividends on common stock shall have been equal to the amount of those dividends during that period.

The Constitution further provides that a public pension or retirement fund's stock investment in any one company may not exceed 5 percent of the company's common stock shares outstanding. The Constitution also specifies that no single common stock investment by a pension or retirement fund may exceed 2 percent of the total assets in the fund, based on cost.

Proposal:

This measure would permit the Legislature to make various changes in the investment authority of public pension or retirement funds. Specifically, it would permit the Legislature to:

1. Increase the limit on investments in common stocks from 25 percent of a public pension or retirement fund's total assets to 60 percent of the fund's total assets, subject to the existing constitutional requirements governing these investments;
2. Permit investment of up to 5 percent of a public pension or retirement fund's assets in common stock or shares of publicly traded corporations which do not meet some, or all, of the qualifying requirements currently specified in the State Constitution (any such investments would count toward the total 60-percent limit); and
3. Authorize investment of 0.5 percent of a public pension or retirement fund's assets in limited partnerships or corporations where the majority of the assets are securities which are not traded publicly (any such investments would count toward both the 5-percent and 60-percent limitations).

The measure places in the State Constitution a declaration that assets of public pension and retirement funds are trust funds and must be held exclusively for specified purposes.

The measure also would establish in the State Constitution certain guidelines and objectives for investing assets of public pension or retirement funds. These guidelines and objectives call for assets to be invested in a prudent, diversified manner, so as to minimize risks of large losses and maximize the potential for earnings.

Fiscal Effect:

The proposed expansion of investment authority in stocks, if implemented by the Legislature, could result

in opportunities for increased earnings through higher dividends and capital gains, accompanied by greater risk to the participating public pension or retirement funds, which could entail capital losses to the funds.

The gain or loss in investment earnings resulting from any expansion in investment authority would depend on how public pension or retirement funds utilize the expanded authority.

Text of Proposed Law

This amendment proposed by Senate Constitutional Amendment 21 (Statutes of 1982, Resolution Chapter 38) expressly amends the Constitution by amending a section thereof; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be inserted or added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE XVI, SECTION 17

SEC. 17. The State shall not in any manner loan its credit, nor shall it subscribe to, or be interested in the stock of any company, association, or corporation, except that the state and each political subdivision, district, municipality, and public agency thereof is hereby authorized to acquire and hold shares of the capital stock of any mutual water company or corporation when such stock is so acquired or held for the purpose of furnishing a supply of water for public, municipal or governmental purposes; and such holding of such stock shall entitle such holder thereof to all of the rights, powers and privileges, and shall subject such holder to the obligations and liabilities conferred or imposed by law upon other holders of stock in the mutual water company or corporation in which such stock is so held.

Notwithstanding provisions to the contrary in this section and Section 6 of Article XVI, the Legislature may authorize the investment of moneys of any public pension or retirement fund, not to exceed ~~25~~ *60* percent of the assets of such fund determined on the basis of cost, in the common stock or shares and not to exceed 5 percent of assets in preferred stock or shares of any corporation; provided:

a. Such stock is registered on a national securities exchange, as provided in the "Securities Exchange Act of 1934" as amended, but such registration shall not be required with respect to the following stocks:

1) The common stock of a bank which is a member of the Federal Deposit Insurance Corporation and has capital funds, represented by capital, surplus, and undivided profits, of at least fifty million dollars ($50,000,000);

2) The common stock of an insurance company which has capital funds, represented by capital, special surplus funds, and unassigned surplus, of at least fifty million dollars ($50,000,000);

3) Any preferred stock;

b. Such corporation has total assets of at least one hundred million dollars ($100,000,000);

c. Bonds of such corporation, if any are outstanding, qualify for investment under the law governing the investment of the retirement fund, and there are no arrears of dividend payments on its preferred stock;

d. Such corporation has paid a cash dividend on its common stock in at least 8 of the 10 years next preceding the date of investment, and the aggregate net earnings available for dividends on the common stock of such corporation for the whole of such period have been equal to the amount of such dividends paid, and such corporation has paid an earned cash dividend in each of the last 3 years;

e. Such investment in any one company may not exceed 5 percent of the common stock shares outstanding; and

f. No single common stock investment may exceed 2 percent of the assets of the fund, based on cost.

Notwithstanding provisions to the contrary in this section and Section 6 of Article XVI, the Legislature may authorize the investment of moneys of any public pension or retirement fund, not to exceed 5 percent of the assets of such fund determined on the basis of cost, in the common stock or shares of any publicly traded corporations which do not meet some or all of the provisions of subdivisions (a) through (d) of the second paragraph of this section provided, however, that the total investment in the common stocks and shares, together with the total investment made pursuant to the second paragraph of this section in common stocks and shares of all other corporations, may not exceed 60 percent of the assets of the fund determined on the basis of the cost of the stocks or shares.

Notwithstanding provisions to the contrary in this section and Section 6 of Article XVI, the Legislature may authorize the investment of moneys of any public pension or retirement fund in corporations or limited partnerships, the majority of the assets of which are nonpublicly traded equity instruments, provided, however, that the total investment of the moneys may not exceed .5 percent of the assets of the fund determined on the basis of cost, that the total investment of the moneys, together with the total investment made pursuant to the third paragraph of this section in common stocks or shares of certain corporations, may not exceed 5 percent of the assets of the fund determined on the basis of cost, and that the total investment of the moneys, together with the total investment made pursuant to the third paragraph of this section in common stocks and shares of certain corporations and the total investment made pursuant to the second paragraph of this section in common stocks and shares of all other corporations, may not exceed 60 percent of the assets of the fund determined on the basis of the cost of the stocks or shares and partnership interests.

Notwithstanding provisions to the contrary in this section and Section 6 of Article XVI, the Legislature may authorize the investment of moneys of any public pension or retirement fund, in stock or shares of a diversified management investment company registered under the "Investment Company Act of 1940" which has total assets of at least fifty million dollars ($50,000,000); provided, however, that the total investment in such stocks and shares, together with *the total investment made pursuant to the second paragraph of this section in common* stocks and shares of all other corporations, may not exceed ~~25~~ *60* percent of the assets of such fund determined on the basis of the cost of the stocks or shares.

The assets of public pension or retirement funds are trust funds and shall be held for the exclusive purpose of providing benefits to participants in the pension or retirement plan and their beneficiaries and defraying reasonable expenses of administering the plan, and shall be invested, whether pursuant to this section or pursuant to other authority:

(a) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) By diversifying the investments of the plan so as to minimize the risk of large losses and by maximizing the rate of return, unless under the circumstances it is clearly prudent not to do so.

6 Public Pension Fund Investment

Argument in Favor of Proposition 6

California's public pension funds *can* earn more money safely and should be allowed to do so.

Public pension funds—the Public Employees' Retirement System, the State Teachers' Retirement System, and local government retirement funds—promise secure retirement to many tens of thousands of Californians. Yet the investment flexibility needed to keep that promise is restricted by outdated provisions of the State Constitution. Pension managers are *unable* to make the most productive investments. Retirees and taxpayers both suffer.

Retirees are penalized when there is not enough money to pay promised benefits. Taxpayers suffer when state and local governments make higher payments to supplement investments which do not earn enough.

Proposition 6 amends the State Constitution to give pension managers the flexibility they need to make the wisest and most profitable investments:

1. It raises the limit on pension fund assets that may be invested in common stock to levels found in private pension plans.

Current law, with heavy emphasis on fixed-income investments, is a strong deterrent to obtaining the best investment results. Careful research of the last 60 years shows that, during every five-year period except one, the rates of return from stocks have far exceeded those of bonds.

Proposition 6 permits pension managers to select the best investment—stocks or bonds—in time to respond to rapidly changing economic conditions.

2. It allows a small percentage of assets to be invested in younger, faster growing companies.

Up to 5 percent of assets could be invested in firms with less than $100 million in assets. Up to ½ percent of pension fund assets could be invested in nonpublicly traded firms. These changes bring public pensions into line with private pension management practices.

Smaller companies have historically produced the very highest returns, making them attractive investments for the funds. Further, capital provided by these investments stimulates economic growth and provides more jobs in California.

None of these investments is *required.* Proposition 6 simply guarantees that pension managers will have broader discretion to make the best possible investments.

Proposition 6 also constitutionally guarantees specifically, for the first time, that public pension assets *"are trust funds and shall be held for the exclusive purpose of providing benefits to the participants."* It requires specifically that pension managers meet standards of skill and prudence necessary to maximize returns.

This proposal is fiscally sound. It is supported by the major public pension funds, investment advisers, public employee unions, and the California Taxpayers' Association. Passage of Proposition 6 will result in higher yields on investment and better returns to the funds. A "yes" vote on Proposition 6 will provide security for those who depend on retirement funds in their later years, and protection for the taxpayers who will support them if the funds can not.

BARRY KEENE
Democratic State Senator, 2nd District

LARRY STIRLING
Republican Member of the Assembly, 77th District

DR. BRIAN M. NEUBERGER
Professor of Finance, San Diego State University
PERS Member

Rebuttal to Argument in Favor of Proposition 6

Las Vegas, here we come!

The proponents of this proposition are advocating increased speculation of public pension funds to allow for a larger rate of return. They fail to mention that this type of investing is accompanied by a high degree of risk. There is no such phrase as "guaranteed return" in the stock market vocabulary. Isn't it wiser to place these funds in stable investments for a prudent "mix" to safeguard the financial interests of our state's retirees rather than a stock market crapshoot?

Proposition 6 supporters claim that the pension managers need "flexibility" to make the wisest investments. Under this proposal the PERS Board, as appointed by the Governor, will cast the dice on billions of retiree dollars which they may dole out to any company or cause as they see fit. There are no guidelines for investing this money. We can ill afford these board members, who are short on financial investment experience and long on political friendships, making financial decisions based upon social and ideological criteria.

Many individuals supporting Proposition 6 fail to realize that these funds are workers' savings and *not* state money. Questionable investment strategies could well jeopardize the fiscal security of our state's retirees. And, of course, we all know who will pay the bill for any losses incurred through poor investments—that's right, the taxpayer!

Do we really want Governor Moonbeam's political appointees making such vital economic decisions? Let's not gamble with our state retirees' hard-earned money. Vote *NO* on Proposition 6.

H. L. RICHARDSON
State Senator, 25th District

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Argument Against Proposition 6

The proponents of Proposition 6 believe that a larger portion of public pension funds, being saved for public employees' retirement, should be "innovatively" invested. The supporters of this proposal would lead you to believe that investing these funds is necessary in order to protect the retirees' contributions. What they fail to point out is that with these investments there is a greater amount of risk involved, and so increases the danger of loss. This dangerous investing could seriously endanger the fiscal security of the retirees who contribute.

Assets of public pension funds should continue to be placed in a *prudent* "mix" of investments to safeguard the long-term financial needs of those pension systems. The entire 13-year record of performance by PERS stands as undeniable proof that any increase in the authorized position of retirement system assets is a serious mistake. The California Public Employees' Retirement System is having a difficult enough time generating sufficient earnings on investments. In these difficult and fluctuating economic times, we hardly need to allow the imposition of a questionable fiscal practice dreamed up by the Governor's bizarre advisers.

As to who will make the investment decision, the PERS Board members, as appointed by the Governor, will have that responsibility. These board members, who have little or no financial investment experience, will decide where billions of retiree dollars will be invested. Current economic times are such that even knowledgeable investment brokers are experiencing difficulty in today's market.

Approval of Proposition 6 will be a costly mistake. Not only will the contributors suffer, but the participating public agencies and the California taxpayers as well, for all will have to help recover any losses incurred due to poor investments. Don't gamble with the future of our state's retirees who have worked hard for their retirement.

VOTE NO ON PROPOSITION 6!

H. L. RICHARDSON
State Senator, 25th District

JAKE PETROSINO
President, PERS Retirement Betterment Committee Inc.

Rebuttal to Argument Against Proposition 6

Public pension funds aren't earning what they should to give retirees what they deserve.

Even the opponents of Proposition 6 acknowledge that public pension funds are having a hard time earning money on their investments. Other jurisdictions have adopted the practices outlined in Proposition 6, and private pension funds have used these investments to make more money for years. Why should California's public pension funds be restricted to earning less?

Retired employees have worked long and hard for security in their retirement years, only to see their pension benefits gutted by inflation. The ability of the retirement funds to earn more money on investments is the best hope for an increase in benefits to help retirees to keep pace with inflation.

The opponents acknowledge that these investments should be made *prudently.* Proposition 6 puts that requirement of prudent investment into the Constitution for the first time, to make *absolutely sure* that the investments are sound.

The opponents question who will be making the investment decisions. Proposition 6 is quite clear. It is the pension managers—not the Governor, not the Legislature, and not special interests—who will be making those decisions. These pension managers are bound by strict rules of legal responsibility. They *must* invest only for the benefit of the members of the system.

Failure to pass Proposition 6 will leave the public pension funds hobbled by outdated investment rules and will leave retirees with little hope for benefits that grow with inflation.

VOTE YES ON PROPOSITION 6!

BARRY KEENE
Democratic State Senator, 2nd District

LARRY STIRLING
Republican Member of the Assembly, 77th District

DR. BRIAN M. NEUBERGER
Professor of Finance, San Diego State University
PERS Member

7 Taxation. Real Property Valuation. New Construction

Official Title and Summary Prepared by the Attorney General

TAXATION. REAL PROPERTY VALUATION. NEW CONSTRUCTION. LEGISLATIVE CONSTITUTIONAL AMENDMENT. Under existing constitutional provisions, real property is reappraised for ad valorem tax purposes when "newly constructed." This measure adds to existing definitions and allowed exceptions a provision that the Legislature may provide that the term "newly constructed" shall not include the construction or addition of any fire sprinkler system or fire alarm system, as defined by the Legislature, provided that the construction or addition is not required by state law or local ordinance. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: No impact until implemented by legislation. When implemented there would be: Unknown local government loss of property tax revenues and minor to moderate increased appraisal costs. Unknown increased state costs to offset revenue losses of school and community college districts and, possibly, other local governments for property tax revenue loss. Minor increase in state income tax revenues due to lower property tax deductions.

FINAL VOTE CAST BY THE LEGISLATURE ON ACA 53 (PROPOSITION 7)

Assembly—Ayes, 67	Senate—Ayes, 33
Noes, 0	Noes, 0

Analysis by the Legislative Analyst

Background:

Article XIII A was added to the California Constitution by Proposition 13 on June 6, 1978. It provides that real property generally shall be reappraised for property tax purposes when purchased, newly constructed or when a change in ownership has occurred. Otherwise, the value of the property may not be increased for property tax purposes by more than 2 percent per year.

Article XIII A specifies that real property shall not be deemed to be "newly constructed" if it has been reconstructed after being damaged by a disaster, as declared by the Governor, provided the fair market value of that property, as reconstructed, is *comparable* to the property's fair market value prior to the disaster. Article XIII A further provides that a "change in ownership" shall be deemed not to have occurred in cases where property is acquired as a replacement for "comparable" property (that is, property which is comparable in terms of size, utility, and function), from which the owner was displaced as a result of certain governmental action (such as condemnation through eminent domain). Article XIII A also authorizes the Legislature to provide that the term "newly constructed" shall not apply to the construction or addition of any active solar energy system. The Legislature in 1980 enacted legislation which implements this latter provision for fiscal years 1981–82 through 1985–86.

Current law requires county assessors to appraise all new construction on the basis of its fair market value at the time construction is completed or, if the construction has not been completed, on the basis of the fair market value of the work which has been completed by March 1 (the lien date). In the case of newly constructed *modifications* or *additions* to existing property, only the portion of the property which has undergone new construction is subject to reappraisal. Under current law, therefore, the assessed value of a newly constructed building containing a fire sprinkler system or fire alarm system would reflect the value of such a system. When such a system is added to an existing structure, the assessed value of the structure is increased to reflect the value of the system.

Proposal:

This measure amends the "new construction" provisions of Article XIII A. Specifically, the measure authorizes the Legislature to provide that the term "newly constructed" shall not apply to the construction or addition of any fire sprinkler system or fire alarm system, as defined by the Legislature, which is not required by state law or local ordinance. The measure therefore authorizes the Legislature to exclude the value of these fire protection systems from any assessment for property tax purposes until such time as a change in the ownership of such property occurs. Upon a change in ownership, however, real property which includes such a fire protection system would be reappraised at its fair market value (including the value of that system), as required by current law.

Fiscal Effect:

By itself, this measure has no state or local fiscal impact because it only *authorizes* the Legislature to enact a measure to implement its provisions.

If the Legislature enacts implementing legislation pursuant to the authority granted by this measure, there would be an unknown loss of property tax revenues to *local* governments. The magnitude of the revenue loss would depend, in part, on the definitions of "fire sprinkler system" and "fire alarm system" adopted by the Legislature. In addition, county assessors could experience minor to moderate administrative costs in appraising properties affected by this measure.

This measure also could affect *state* expenditures and revenues in three ways. First, if the Legislature used the authority provided in this measure, the state would automatically incur additional, but unknown, costs for providing aid to local school and community college districts to offset their loss of property tax revenue. Second, the state might incur additional costs as a result of provisions contained in the Revenue and Taxation Code which require the state to reimburse cities, counties, and special districts for property tax losses resulting from legislative action. Third, state income tax revenues would increase because affected property owners would have lower property tax deductions on their income tax returns. These income tax revenue increases, however, would represent only a small portion of the total reduction in property tax revenues.

Text of Proposed Law

This amendment proposed by Assembly Constitutional Amendment 53 (Statutes of 1982, Resolution Chapter 49) expressly amends the Constitution by adding a subdivision thereto; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE XIII A, SECTION 2

(e) For purposes of subdivision (a), the Legislature may provide that the term "newly constructed" shall not include the construction or addition of any fire sprinkler system or fire alarm system, as defined by the Legislature, provided, that the construction or addition is not required by state law or local ordinance.

Polls are open from 7 a.m. to 8 p.m.

7 Taxation. Real Property Valuation. New Construction

Argument in Favor of Proposition 7

The purpose of this measure is to induce and motivate those who construct or remodel buildings used by the public to install adequate fire sprinklers and alarms.

Currently the addition of such devices triggers the reassessment of the property in question, and at rates substantially higher than when unimproved. Tax liabilities often far surpass any insurance rate decline that may be realized due to the sprinklers.

These situations discourage building owners from installing sprinklers and alarms that could help prevent loss of life and possessions.

Dramatic losses in life during the past five years due to spectacular fires stress the need for this constitutional amendment.

The measure creates constitutional authority for the Legislature to provide that the addition of fire sprinkler or alarm systems, by themselves, will not result in an increase in the assessed value of the property, provided that the construction or addition is not required by state or local ordinance.

We ask your "yes" vote.

NOLAN FRIZZELLE, O.D.
Member of the Assembly, 73rd District

FRANK VICENCIA
Member of the Assembly, 54th District
Chairman, Assembly Governmental Organization Committee

Rebuttal to Argument in Favor of Proposition 7

Proponents of Proposition 7 are attempting to foist it upon voters as a measure that will promote public safety. In fact, it is an unfair and illogical proposal that must be defeated.

Proposition 7 allows the Legislature to provide that the addition of a fire alarm or sprinkler system will not cause real property to be considered "newly constructed," triggering a reassessment and higher taxes, *"provided, that the construction or addition is not required by state law or local ordinance."* Thus, if a state law or local ordinance is passed requiring a new alarm or sprinkler system, the property will be reassessed and the owner will pay higher taxes, but there will be no reassessment if the new system is not required by the government. The proponents do not explain why this unfair and illogical distinction is drawn, and it is difficult to understand the claim that Proposition 7 is designed to promote safety.

Proposition 7 is another arbitrary and inequitable distinction growing out of the "newly constructed/change in ownership" clause in the State Constitution that says, in effect, that some property owners pay far higher taxes than others who own property of the same value.

Instead of treating everyone equally, Proposition 7 creates another limited exception that makes no sense. The proponents' argument does not even mention the central issue. VOTE NO!

TIMOTHY D. WEINLAND
Attorney at Law

Study the Issues Carefully

Argument Against Proposition 7

Proposition 7 is another piecemeal exception to the "newly constructed/change in ownership" clause in Proposition 13. Instead of correcting this blatantly unjust provision, Proposition 7 provides a special exception that favors wealthy individuals and corporations owning commercial property and is specifically designed to benefit one particular industry. As such, Proposition 7 should be rejected by voters, and resoundingly so.

Under Proposition 13, ad valorem taxes on real property are limited to 1 percent of the assessed valuation as shown on the 1975–76 tax bill or the appraised value when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.

Proposition 7 allows the Legislature to exempt from the definition of "newly constructed" the construction of or addition of any fire sprinkler system or fire alarm system. The logic is that the construction or addition of an alarm or sprinkler system should not trigger a reassessment.

Under current provisions of the State Constitution, the assessed valuation of real property (and therefore the taxes on the property) depends upon when the current owner purchased the property. Anyone who owned real property before the 1975 assessment will never face a reassessment of that piece of property. Anyone who purchases property after that date will face a reassessment and pay higher taxes, much higher taxes in most cases. Two home owners can own homes of identical value next door to each other and one will pay far higher taxes if he purchased his home in 1982 and his neighbor purchased his in 1974. This provision favors the wealthy because affluent land owners and corporations generally own real property for longer periods of time than the average individual, and the more valuable the property, the greater the tax break.

Instead of correcting the unfair and inequitable treatment property owners are currently given, Proposition 7 creates a specific exception for sprinkler systems and fire alarm systems. Most such systems are built on commercial property owned by the rich. Proposition 7 also gives special treatment to the industry that produces sprinkler and alarm systems while ignoring the fact that the "newly constructed/change in ownership" clause has created havoc for the construction industry and the real estate business. We would not have to be concerned with the issues presented by Proposition 7 if all property owners were treated equitably.

Voters should defeat Proposition 7. Instead of rectifying the gross inequities contained in current law, it creates a limited exception for wealthy owners of commercial real estate and gives extra benefits to one industry. Proposition 7 does nothing to correct the injustices done to most home owners and renters.

VOTE NO ON PROPOSITION 7!

TIMOTHY D. WEINLAND
Attorney at Law

Rebuttal to Argument Against Proposition 7

The only issue here is the protection of the public from the threat of fire when using commercial buildings.

Fire services cost the public a lot of money. Minimizing the need for extensive firefighting costs and protecting against the potential loss of life in case of fire are extremely important.

Proposition 7 does not raise costs to taxpayers and it does encourage building owners to go to the expense of adding fire alarms and fire sprinkler systems where they do not now exist.

The people who benefit most are those who are threatened from fire that could bring critical losses to them when in commercial buildings that were built a while ago.

The protection offered by this proposition is great and the public cost is zero.

Vote yes on Proposition 7.

NOLAN FRIZZELLE, O.D.
Member of the Assembly, 73rd District

8 Transfer of Funds by Local Governments

Official Title and Summary Prepared by the Attorney General

TRANSFER OF FUNDS BY LOCAL GOVERNMENTS. LEGISLATIVE CONSTITUTIONAL AMENDMENT. The Constitution provides exceptions from the lending of credit and gift restrictions for the making of specified temporary transfers of funds to counties, cities, districts, and other political subdivisions to meet their obligations incurred for maintenance purposes. Presently funds so transferred may not exceed 85 percent of "taxes" accruing to the political subdivision and must be replaced from "taxes" accruing before any other obligations are met from "taxes." This amendment modifies the limitation to 85 percent of "anticipated revenues" and requires repayment from "revenues" accruing before any other obligations are met from "revenues." Summary of Legislative Analyst's estimate of net state and local government fiscal impact: No direct state or local fiscal impact. As described in Analyst's estimate, when larger amounts of money are loaned it could reduce the interest costs of the borrowing local agency and, conversely, reduce the interest that would normally otherwise be earned by the nonborrowing local agencies.

FINAL VOTE CAST BY THE LEGISLATURE ON ACA 56 (PROPOSITION 8)

Assembly—Ayes, 63	Senate—Ayes, 37
Noes, 0	Noes, 0

Analysis by the Legislative Analyst

Background:

The State Constitution permits the treasurer of any city, county, or city and county to make temporary interest-free transfers of funds to prescribed local agencies within the city or county. These transfers provide a means by which local agencies can secure the funds they need to meet their financial obligations prior to receiving their annual revenues from tax collections. The transfers are made at the discretion of the city or county, and may not exceed 85 percent of the *tax* revenues which the borrowing local agency is expected to receive during the course of the fiscal year. No funds may be transferred between the last Monday in April and July 1 (the start of a new fiscal year). Any transfers made must be repaid by the treasurer of the city or county out of the tax revenues deposited to the credit of the borrowing agency, prior to the payment of any other obligation of the borrowing agency.

In addition, various provisions of current law authorize a city or county to loan any of its available funds to specified local agencies, under specified conditions. These loans are financed from moneys available to the city or county treasurer and do not involve private-sector lending institutions.

Local agencies are also authorized by statute to borrow funds from private sources, through the issuance of interest-bearing notes. The purpose of these borrowings is to provide cash needed to meet financial obligations over short periods of time, pending receipt of anticipated taxes or other revenues. These notes, commonly known as "tax anticipation," "revenue anticipation," or "grant anticipation" notes, bear interest at rates not to exceed 12 percent per year. The issuance of these types of notes is the predominant method used by local agencies to meet their cash flow needs.

Proposal:

This constitutional amendment would permit the treasurer of any city, county, or city and county to transfer to certain local agencies an amount equal to 85 percent of the agency's anticipated *revenues* during that fiscal year. Thus, this amendment would change the Constitution by allowing transfers to be made in amounts of up to 85 percent of anticipated *total revenues,* as opposed to 85 percent of anticipated *tax revenues.* As many local agencies receive significant portions of their total revenues from nontax sources, this amendment would provide constitutional authorization for cities, counties, and cities and counties to make larger temporary transfers of funds to local agencies within their jurisdiction.

Fiscal Effect:

This measure has no direct state or local fiscal impact. It could, however, affect the interest earnings which local agencies derive from temporarily idle funds. Typically, the treasurer of a city or county is responsible for the management and investment of funds belonging to the city or county and other local agencies as well. The portion of these funds which is not needed for immediate payment of obligations normally is invested at market rates, producing investment income that is shared among those agencies whose funds are invested. This investment pool is also the source of funds for the temporary interest-free transfers of moneys to local agencies authorized by the Constitution. As a consequence, the amount of funds available for investment, and therefore the investment earnings generated, is reduced to the extent that these transfers are made. The borrowing agency is charged no interest on temporary transfers made pursuant to the constitutional authorization.

Therefore, to the extent that this amendment results in larger amounts of money being made available as loans from the investment pool to local agencies, it would reduce the level of interest earnings realized by nonborrowing local agencies participating in the investment pool. Conversely, this amendment would reduce interest costs for the borrowing local agencies to the extent that they would otherwise have to meet their cash flow requirements by issuing revenue anticipation notes.

Text of Proposed Law

This amendment proposed by Assembly Constitutional Amendment 56 (Statutes of 1982, Resolution Chapter 60) expressly amends the Constitution by amending a section thereof; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be inserted or added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE XVI, SECTION 6

~~SEC.~~ *SEC.* 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

Provided, further, that nothing contained in this Constitution shall prohibit the use of State money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and

Provided, further, that nothing contained in this Constitution shall prohibit the State, or any county, city and county, city, township, or other political corporation or subdivision of the State from providing aid or assistance to persons, if found to be in the public interest, for the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a period of a major disaster or emergency, in either case declared by the President. In such case, the public entity shall be indemnified by the recipient from the award of any claim against the public entity arising from the rendering of such aid or assistance. Such aid or assistance must be eligible for federal reimbursement for the cost thereof.

And provided, still further, that notwithstanding the restrictions contained in this Constitution, the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the ~~taxes~~ *anticipated revenues* accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the ~~taxes~~ *revenues* accruing to such political subdivision before any other obligation of such political subdivision is met from such ~~taxes~~ *revenue*.

8 Transfer of Funds by Local Governments

Argument in Favor of Proposition 8

Proposition 8 is designed to allow local governments to manage their money more efficiently. The Constitution now allows these agencies to borrow from the county treasury against taxes they expect to receive. This money is repaid in December and April when taxes are collected.

Proposition 8 would permit local agencies to borrow against taxes *and* other revenues, such as fees, to meet day-to-day expenses during the summer and fall months before taxes are collected. Without this measure local agencies will find it increasingly difficult to maintain services throughout the year.

Proposition 8 is endorsed by the County Supervisors Association of California.

Proposition 8 *will not result in a tax increase.* Proposition 8 *does not add new taxes.*

LAWRENCE KAPILOFF
Member of the Assembly, 78th District

Rebuttal to Argument in Favor of Proposition 8

Proposition 8 is designed to allow local governments to manage their money *less* efficiently. In addition to allowing local governments to borrow against taxes that have accrued, Proposition 8 would allow the spending of up to 85 percent of anticipated revenues before they are received. Government entities should not be given any further latitude to spend revenues they do not have, but only anticipate.

Proposition 8 would allow overspending in June and only require an entity to say, "We'll make it up in December." The argument in favor does not explain what will then happen in December when revenues received will have to be used to pay off the money borrowed in June. The only answer will be to again borrow against the future, creating a vicious cycle whereby government entities will always be living beyond their means with the hope of making it up in the future.

Government mismanagement is already bad enough and has already caused too many problems for which the taxpayers ultimately suffer, both in increased taxes and in failure to receive adequate services. The last thing we need is a constitutional amendment such as Proposition 8 which encourages further mismanagement. VOTE NO!

TIMOTHY D. WEINLAND
Attorney at Law

Argument Against Proposition 8

Proposition 8 must be defeated. It gives local governments even more opportunity to mismanage funds and spend revenues before they have been received. Government mismanagement and deficit spending have already fueled inflation too much and created too many emergencies where there are insufficient funds to provide needed services. Proposition 8 would expand local government's ability to transfer funds to political subdivisions under circumstances that would otherwise be considered an unconstitutional gift of public funds.

Under current provisions of the California Constitution, gifts of public funds are prohibited, with certain exceptions. One exception allows the treasurer of a city or county, upon a resolution adopted by its governing body, to transfer funds that are deemed necessary for maintenance purposes by the city, county, or other political subdivision. Currently, these transfers of funds are temporary and are limited to 85 percent of the taxes accruing to the political subdivision receiving the funds.

Proposition 8 instead allows transfers of funds of 85 percent of the "anticipated revenues," allowing an advance of funds that have not even accrued, but are only anticipated! This is a clear attempt to allow local governmental entities to live beyond their means and spend money out of city and county treasuries designated for other purposes based on the intention of reimbursing the treasuries with revenues that are anticipated sometime in the future. These advances would be repaid without interest, forcing the taxpayers to finance free loans to local governments that mismanage their funds and then want to spend tomorrow's revenues today.

Proposition 8 creates further exceptions to the constitutional prohibition against gifts of public funds. Proposition 8 encourages waste of the taxpayers' money and rewards government mismanagement. Proposition 8 must be defeated! VOTE NO!

TIMOTHY D. WEINLAND
Attorney at Law

Rebuttal to Argument Against Proposition 8

Borrowing by local government against anticipated revenues is not "deficit spending." "Deficit spending" is unconstitutional in California. Proposition 8 will not change that.

Existing provisions of the Constitution authorizing borrowing against anticipated taxes were established when property taxes were the principal means of financing local government. Today many local government services are financed by user fees and benefit charges. Proposition 8 will not promote an "unconstitutional gift of public funds." Proposition 8 is an effort to amend the Constitution to reflect the current realities of local government financing.

Borrowing in anticipation of revenues will not create local government funding emergencies. In fact, such borrowing is necessary to avoid funding emergencies. Government services must be provided 7 days a week, 24 hours a day. Police protection, fire protection, sewage management—all cost money. Government must pay its bills on time. Currently, revenues are often received after expenses are incurred. Such funding gaps can and do create emergencies.

The authority to borrow against anticipated revenues is *the* way to *avoid* funding emergencies. Moreover, authority to borrow against anticipated revenues will enable local government agencies to better schedule their work.

Lastly, borrowing from the county treasury in anticipation of revenues does not fuel inflation. Inflation is fueled by large-scale, long-term borrowing to finance a deficit. Local agency borrowing is small scale, short term and does not finance a deficit. If local agencies cannot so borrow, they must borrow in the open market. Taxpayers must pay interest on such outside borrowing.

LAWRENCE KAPILOFF
Member of the Assembly, 78th District

9 School Textbooks. Nonpublic Schools

Official Title and Summary Prepared by the Attorney General

SCHOOL TEXTBOOKS. NONPUBLIC SCHOOLS. LEGISLATIVE CONSTITUTIONAL AMENDMENT. Authorizes Legislature to provide that textbooks available to pupils attending public schools may be loaned on library-type basis to pupils entitled to attend public schools but who attend nonpublic schools which do not exclude pupils from enrollment because of race or color. Specifies that authorizing a textbook loan program shall not be construed as authorizing provision of instructional materials other than textbooks; that appropriations for the textbook loan program shall not be made from funds budgeted for support of public schools; and that so providing textbooks is not an appropriation for school support. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: No impact until implemented by legislation. When implemented, state annual costs could exceed $4 million for a program similar to that in 1980–81 in grades kindergarten–8 and an additional $1 million annually in grades 9–12. Also unknown state and local administrative costs.

FINAL VOTE CAST BY THE LEGISLATURE ON SCA 40 (PROPOSITION 9)

Assembly—Ayes, 59	Senate—Ayes, 29
Noes, 16	Noes, 6

Analysis by the Legislative Analyst

Background:

The State Constitution requires the Legislature to provide for a system of public schools. The Constitution also requires the State Board of Education to adopt textbooks for use in grades 1 through 8, to be furnished without cost to the students in these public schools. Under current law, the state government provides funding to local school districts to buy the textbooks and instructional materials for grades kindergarten through 8. The state does not provide funds to purchase instructional materials and textbooks for students in grades 9 through 12. Instead, school districts use their general financial aid from the state and their local revenues for this purpose.

Prior to fiscal year 1981–82, the Superintendent of Public Instruction was required to lend to pupils attending tax-exempt private schools textbooks and instructional materials for grades kindergarten through 8. The annual state cost for these textbooks and materials for students in private schools was $3.6 million in fiscal year 1980–81. This loan program did not cover pupils in grades 9 through 12.

In 1981, the California Supreme Court ruled that the textbook loan program for students in private schools violated the State Constitution.

Proposal:

This measure would amend the State Constitution to permit the Legislature to reestablish a textbook loan program for pupils in nonpublic schools. The measure contains no limitation with respect to the grades for which such books could be provided. Specifically, it authorizes the Legislature to provide that textbooks which are available to public school pupils can be loaned, on a library-type basis, to pupils in nonpublic schools, with the following limitations:

1. This measure would prohibit the lending of textbooks to pupils attending schools which exclude pupils from enrollment because of their race or color.
2. This measure would extend the authorization to establish a textbook loan program only to the provision of textbooks and would not authorize the provision of other instructional materials.
3. This measure also would prohibit any appropriation for this loan program from funds budgeted for the support of public schools.

Fiscal Effect:

By itself, this measure would have no direct state or local fiscal impact because it authorizes, rather than requires, the Legislature to take specific action.

However, if the Legislature were to reestablish a private school pupil textbook loan program, similar to that which existed in 1980–81, state costs for private school pupils in grades kindergarten through 8 could be over $4 million annually. If the program were extended to pupils in grades 9 through 12, the costs would be significantly higher, possibly exceeding an additional $1 million per year. Local public schools or libraries or the state could incur unknown costs to administer this "loan" program, depending on the nature of the implementing statute enacted by the Legislature.

Text of Proposed Law

This amendment proposed by Senate Constitutional Amendment 40 (Statutes of 1982, Resolution Chapter 66) expressly amends the Constitution by amending sections thereof; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENTS TO ARTICLE IX, SECTIONS 7.5 AND 8

First—That Section 7.5 of Article IX thereof is amended to read:

SEC. 7.5. *(a)* The State Board of Education shall adopt textbooks for use in grades one through eight throughout the State, to be furnished without cost as provided by statute.

(b) Notwithstanding Section 8 of this article or Section 5 of Article XVI, the Legislature may provide that textbooks which are available to pupils attending the public schools may be loaned on a library-type basis to pupils entitled to attend the public schools but who attend schools other than the public schools, except that textbooks may not be loaned to those pupils who attend schools which exclude pupils from enrollment because of their race or color.

The authorization to establish a textbook loan program shall extend only to the provision of textbooks and shall not be construed as authorizing the provision of any instructional materials other than textbooks.

In no event shall any appropriation be made for the textbook loan program from funds budgeted for the support of the public schools.

Second—That Section 8 of Article IX thereof is amended to read:

SEC. 8. *(a)* No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State.

(b) Notwithstanding subdivision (a) and Section 5 of Article XVI, the provision of textbooks to pupils attending schools other than the public schools, pursuant to subdivision (b) of Section 7.5, may not be construed as an appropriation for the support of any school.

9 School Textbooks. Nonpublic Schools

Arguments in Favor of Proposition 9

PROPOSITION 9, THE EQUAL TEXTBOOK RIGHTS AMENDMENT, WILL MAKE TEXTBOOKS AVAILABLE TO ALL SCHOOL-AGE CHILDREN IN CALIFORNIA.

This program was *successful for seven years* and benefited hundreds of thousands of needy students in California before it was stopped in 1981.

The United States Supreme Court has approved our position three times and authorized Ohio, New York, and Pennsylvania to operate similar textbook programs. Because this is constitutional, 17 states offer textbooks to their local students.

The program is quite simple. The books are *loaned to individual students,* not to schools, on a library-type basis. This amendment prohibits a student from receiving a textbook if he attends a school which excludes anyone on the basis of race or color.

Proposition 9 specifies that public education funds cannot be used for the textbook loan program.

ALL PARENTS PAY TAXES TO PURCHASE THESE TEXTBOOKS. IS IT FAIR TO EXCLUDE SOME CHILDREN FROM USING THESE BOOKS BECAUSE OF THE SCHOOL THEY ATTEND?

If the children who have been using the textbook loan program were to enroll in public schools it would cost the taxpayers of California over $1 billion annually.

For the sake of our children and for the betterment of their education I urge you to vote yes on Proposition 9, the Equal Textbook Rights Amendment.

ALAN ROBBINS
San Fernando Valley State Senator, 20th District

All California children need access to quality learning materials. *OUR PUBLIC LIBRARIES DO NOT DISCRIMINATE IN LOANING BOOKS TO CHILDREN; NEITHER SHOULD OUR STATE TEXTBOOK PROGRAM.*

Taxpaying families of children in nonpublic schools support public education while also saving their fellow taxpayers over $2,000 per child annually. As an elected superintendent of schools I know this saves us over a billion dollars a year.

The State of California provides the highest quality textbooks available in America; *by sharing these textbooks with all of the students in our state, we strengthen the education of every child.*

For ALL the children, I urge my fellow Californians to vote YES on Proposition 9 to allow the restoration of a nondiscriminatory textbook program without any fiscal drain on public school funds.

VIRGIL S. HOLLIS
County Superintendent of Schools

My son is severely handicapped and neurologically impaired. Since our local public school does not have an appropriate educational program for him, Sean attends Dubnoff Center in North Hollywood.

Without the passage of Proposition 9, my son is denied the use of state textbooks. As a concerned parent I urge you to vote "yes" on Proposition 9 so that my son and thousands like him will be able to borrow the textbooks that I help to pay for as a taxpayer.

KAREN ANNE FITZSIMMONS
Cochairperson, Californians for Equal Textbook Rights

Rebuttal to Arguments in Favor of Proposition 9

The assertion that "public education funds cannot be used for the textbook loan program" is deliberately deceptive. Dollars which could otherwise be used for public education will now be diverted to this giveaway before they are earmarked for public education or used as a tax break. All of us pay the taxes which support education, not just parents of children in parochial schools.

In the former program, parochial schools selected, ordered, received, retained and disposed of the textbooks. Few textbooks were ever returned to the state. As administered, the program was and again will be an outright grant of public aid to parochial schools.

Public textbooks are no more separate from public education than teachers are, and we don't "loan" teachers to parochial schools. Public schools are like public libraries: everyone can choose to go to them. But we taxpayers don't pay for someone's choice of buying a book rather than borrowing it from a public library. Nor should we pay for someone's choice of a parochial school rather than a public one.

WHEN A HANDICAPPED CHILD CANNOT GET AN APPROPRIATE EDUCATION IN A PUBLIC SCHOOL, THE STATE ALREADY PAYS THE FULL COST OF AN APPROPRIATE PRIVATE SCHOOL, INCLUDING TEXTBOOKS. Handicapped children in private schools don't need Proposition 9.

DON'T VOTE FOR JUST THOSE FEW WITH CHILDREN IN PAROCHIAL SCHOOLS. VOTE FOR ALL OF US TAXPAYERS—VOTE NO ON 9.

MARILYN RUSSELL BITTLE
President, California Teachers Association

ALLEN I. FREEHLING
Rabbi
President, Southern California Region, American Jewish Congress

HARRY D. JACKSON
Pastor
Chairman, California Council for Religious Freedom

Argument Against Proposition 9

This amendment to the California Constitution would permit the spending of increasingly scarce tax dollars for private and parochial schools at a time when public schools are being forced to cut back. Before 1981, this program was called a textbook "loan" program. However, it was not a loan at all—it cost state taxpayers about $4 million per year to buy these textbooks to give to private and parochial schools.

In 1981, a unanimous California Supreme Court declared that spending public money to provide textbooks for nonpublic school pupils was unconstitutional. This amendment would overrule that court decision, and once again state taxpayers would be giving millions of dollars in handouts to private and parochial schools while public schools suffer bigger and bigger funding cuts.

Private and religious education is a necessary, indeed a vital, component of California's educational network. Approximately 85% of all private schools which participated in the "loan" program in California were religious schools. All parents should have the choice to send their children to a private or religious, instead of a public, one, but state taxpayers should not have to pay for it.

The constitutional guarantee of separation of church and state means the freedom to go to a religious school, but not at public expense. Providing free textbooks would be a direct public subsidy of private and religious schools. Not providing free public textbooks for private and religious schools would also protect those schools from state control over what textbooks they will be allowed to use. No child will be forced out of a private or parochial school if the taxpayers do not pay for his or her books.

Furthermore, it is not clear what "textbook" will be interpreted to mean. Will the Legislature define it to include, besides traditional books, expensive computers and computer programs? The cost of such items could be staggering.

At best, Proposition 9 is a smokescreen for government handouts to private and religious institutions at the expense of the public schools. At worst, it opens a floodgate of constitutional questions and legislative efforts designed to radically alter our system of education in California.

HERSCHEL ROSENTHAL
Member of the Assembly, 45th District

CHRIS ADAMS
President, California State PTA

EDGAR KOONS
Pastor, Hazel Avenue Baptist Church, Fair Oaks, California
President, American Council of Christian Churches of California

Rebuttals to Argument Against Proposition 9

PROPOSITION 9 ALLOWS TEXTBOOKS TO BE LOANED TO PUPILS; IT DOES *NOT* GIVE BOOKS *OR* MONEY TO ANY SCHOOL. It is the children who receive and use these books.

PROPOSITION 9 IS *STRICTLY LIMITED TO TEXTBOOKS* AND ONLY TEXTBOOKS. It does not apply to anything else.

WITHOUT PROPOSITION 9 THE MOST SEVERELY HANDICAPPED AND MENTALLY RETARDED CHILDREN WILL BE LEFT *WITHOUT ACCESS TO FREE PUBLIC TEXTBOOKS.* The parents of these children join in seeking your "yes" vote on the *Equal Textbook Rights Amendment.*

ALAN ROBBINS
San Fernando Valley State Senator, 20th District

Proposition 9 completely protects public school funding and totally prohibits the expenditure or use of any funds budgeted for the support of public education.

WHO CAN BE HARMED IF STATE TEXTBOOKS ARE LOANED TO STUDENTS WHOSE PARENTS SEND THEM TO NONPUBLIC SCHOOLS?

For the benefit of all the children vote YES on 9, the Equal Textbook Rights Amendment.

VIRGIL HOLLIS
County Superintendent of Schools

Over 300,000 children who receive their education either at nonsectarian schools or religiously affiliated schools need the restoration of their right to use state textbooks for math, reading, and other basic subjects.

If you vote yes on Proposition 9, then our children who attend nonpublic schools will *regain the freedom to choose whether they use these textbooks or not.*

Anyone truly committed to the separation of church and state would never allow students to be discriminated against because of their attendance at religiously affiliated schools. *TO ELIMINATE DISCRIMINATION AGAINST STUDENTS AT CHURCH-SPONSORED SCHOOLS, AND TO ELIMINATE DISCRIMINATION AGAINST ANY CATEGORY OF CHILDREN, VOTE YES ON 9.*

DR. EDWARD B. (TED) COLE
Pastor, First Baptist Church of Pomona
Cochairman, Californians for Equal Textbook Rights

10 Unifying Superior, Municipal, and Justice Courts

Official Title and Summary Prepared by the Attorney General

UNIFYING SUPERIOR, MUNICIPAL, AND JUSTICE COURTS. LEGISLATIVE CONSTITUTIONAL AMENDMENT. Provides Legislature may authorize a county to unify municipal and justice courts within superior court upon approval by majority vote of county electors. Upon unification, provides for municipal and, unless Legislature provides otherwise, justice court judges to become superior court judges; authorizes Legislature to provide powers and duties of former municipal and justice court judges during balance of terms; requires Legislature to prescribe number and compensation of judges and court enforcement officers and provide for clerk, other officers, and employees; establishes original and appellate jurisdiction of superior court; specifies other matters. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: No impact until implemented by legislation and approval vote in county. When implemented, depending on legislative action, there would be state and/or county increased salary and retirement costs due to higher salaries of judges elevated. There could be unknown administrative costs or savings, depending on implementation. Fiscal impact could vary substantially from county to county.

FINAL VOTE CAST BY THE LEGISLATURE ON ACA 36 (PROPOSITION 10)

Assembly—Ayes, 69	Senate—Ayes, 28
Noes, 0	Noes, 4

Analysis by the Legislative Analyst

Background:

The State Constitution currently provides for superior, municipal, and justice courts.

Superior courts have jurisdiction over cases involving family law (for example, divorce cases), juvenile law, probate matters (for example, settling an estate), civil suits involving more than $15,000, felonies, and appeals from municipal and justice court decisions. Each of the state's 58 counties has a superior court. The number of superior court judgeships ranges from 1 in several counties to 206 in Los Angeles County.

Justice and municipal courts generally have jurisdiction over misdemeanors and infractions and most civil actions involving amounts under $15,000. Counties are divided into municipal and justice court districts. Municipal courts are required in districts with more than 40,000 residents; justice courts are required in districts with 40,000 or fewer residents.

As of July 1, 1982, there were 640 superior court judgeships, 496 municipal court judgeships, and 95 justice court judgeships in California.

Proposal:

This measure would permit the Legislature to authorize a county to unify (or "combine") its municipal and justice courts within its superior court. Unification of these courts could not take effect, however, unless a majority of the county's voters approved the unification at an election called for that purpose. Unification would then take effect July 1 of the following year. At that time all municipal court judges would become superior court judges and, unless the Legislature provides otherwise, all justice court judges would become superior court judges. The Legislature would be authorized to designate the powers and duties of the former municipal and justice court judges during the balance of their terms and until their election by the voters to the superior court.

A unified superior court would have original jurisdiction in all matters currently falling under the jurisdiction of superior, municipal, and justice courts. The court also would have appellate jurisdiction in all cases currently appealable to a superior court. The Legislature would be required to prescribe the number and compensation of judges and court enforcement officers and provide for the clerk and other officers and employees of the superior court for each county with a unified court.

Fiscal Effect:

By itself this measure would have no direct fiscal effect on either the state or local governments. This is because no changes in the counties' court structure could occur until the Legislature acted to authorize a unified court in a particular county and until the voters of that county approved the unification proposal. Any additional costs, savings, or revenues resulting from court unification would depend on the provisions of the authorizing legislation.

Superior, municipal, and justice court costs are funded primarily by the counties. The state provides funds to cover most of each superior court judge's salary, a portion of certain superior court's administrative costs, and the employer's contributions to the Judges' Retirement Fund (equal to 8 percent of each judge's annual salary) for superior and municipal court judges. Justice court judges generally are covered by county retirement sytems, and the costs of their retirement benefits are funded locally.

In the event the Legislature authorizes and the vot-

ers approve unification of a county's court system, the fiscal impact would be as follows:

1. **Increased salary costs.** Depending on legislative action, the state and/or the counties would incur additional costs as a result of elevating municipal and justice court judges to the superior court. This is due to the fact that salaries for superior court judges ($63,267 per year) are higher than salaries for either justice court judges (an average of $25,000 per year) or municipal court judges ($57,776 per year). In addition, some justice court judgeships are part time, whereas all superior court judgeships are full time.

2. **Increased retirement costs.** Depending on legislative action, the state and/or the county would incur additional costs due to the fact that municipal court judges who are elevated to the superior court would receive a higher salary and therefore would receive higher retirement benefits. Retirement costs for justice court judges elevated to the superior court would be higher as well.

3. **Unknown administrative costs or savings.** The impact of court unification on the cost of operating the courts cannot be determined in advance. It would depend on how implementation of an individual county's unification proposal affects the administrative efficiency of the court system.

The impact of this proposal on total court costs and the distribution of any resulting costs or savings between the counties and the state is not known and would depend on the specific provisions of subsequent implementing legislation. The fiscal effect could vary substantially from county to county.

Text of Proposed Law

This amendment proposed by Assembly Constitutional Amendment 36 (Statutes of 1982, Resolution Chapter 67) expressly amends the Constitution by amending a section thereof; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE VI, SECTION 5

SEC. 5. (a) Each county shall be divided into municipal court and justice court districts as provided by statute, but a city may not be divided into more than one district. Each municipal and justice court shall have one or more judges.

There shall be a municipal court in each district of more than 40,000 residents and a justice court in each district of 40,000 residents or less. The number of residents shall be ascertained as provided by statute.

The Legislature shall provide for the organization and prescribe the jurisdiction of municipal and justice courts. It shall prescribe for each municipal court and provide for each justice court the number, qualifications, and compensation of judges, officers, and employees.

(b) Notwithstanding the provisions of subdivision (a), any city in San Diego County may be divided into more than one municipal court or justice court district if the Legislature determines that unusual geographic conditions warrant such division.

(c) (1) Notwithstanding the provisions of subdivisions (a) and (b), the Legislature may authorize a county to unify the municipal courts and justice courts within the superior court. This unification shall be made after approval by a majority vote of the electors of the county voting on the issue at an election called for that purpose by the county's board of supervisors.

(2) On the first of July in the year next following approval by the electors of such a provision, all superior court and municipal court judges then in office shall become superior court judges, and all justice court judges shall become superior court judges unless the Legislature has provided otherwise. The former municipal court and justice court judges shall retain the same balance to their terms as though they had been originally appointed or elected to the superior court. However, the Legislature may provide for the powers and duties of the former municipal and justice court judges during the balance of their term and until their election to the superior court.

(3) The superior court in a unified county shall have original jurisdiction in all causes.

(4) The superior court in a unified county shall have appellate jurisdiction in the same causes as are appealable to the superior court in nonunified counties.

(5) The board of supervisors of a unified county may provide for branches of the superior court throughout the county.

(6) The Legislature shall prescribe the number and compensation of judges and court enforcement officers, and provide for the clerk and other officers and employees of the superior court in a unified county.

(7) All other provisions of this article not inconsistent with this subdivision shall apply to the superior court of such a county.

10 Unifying Superior, Municipal, and Justice Courts

Argument in Favor of Proposition 10

California's trial courts are inefficient, inaccessible, and far too costly. Our court system, which was developed when there were far fewer cases than there are today, has not changed to meet the needs of modern times. Its artificial levels and divisions result in duplication and delay that are costly for people who use the courts and for the taxpayers.

Proposition 10 will simply permit each county, *at its option,* to reduce court costs by unifying its justice, municipal, and superior courts within one unified system. In a unified court, judges, court employees, and court facilities can be assigned freely to handle the workload in the most efficient way.

It is not uncommon today to have one courtroom empty while another, right next door, is overflowing and congested. This amendment will force the different courts to work with each other so that the workload is distributed equally. Court delays would thereby be reduced and justice administered more swiftly.

In a unified court there will be one filing system, one accounting system, and one set of records, in place of the many that exist in every county today. A unified court will be more efficient, which means that the public will have to pay for fewer judges and fewer courtrooms in the future.

The unified court concept has been tested. A major judicial district in San Diego County has experimented successfully with unification for the past five years. The statistics clearly show that judges are hearing more cases in a shorter period of time in a unified court.

Proposition 10 will only *permit* counties to unify their courts. It does *not force* them to do so. For a county to unify its courts under Proposition 10, the Legislature must first pass a bill authorizing unification in that county. Then, the board of supervisors must put the question on the ballot. Finally, *the people themselves* must vote for unification of the courts. Therefore, under Proposition 10, the people of each county, NOT THE POLITICIANS OR THE JUDGES, will have the final say with respect to whether or not their courts are unified.

The County Supervisors Association of California and the California Taxpayers' Association support Proposition 10 because it will SAVE TAXPAYERS MONEY.

The California Trial Lawyers Association supports Proposition 10 because a unified court system will be MORE EFFICIENT.

The authors believe that an independent study supports the conclusion that court unification offers the taxpayer the potential for a 15% savings. The authors believe this amounts to potential savings of millions of dollars per year to California taxpayers.

The people of the State of California have the right to expect their courts to be efficient and accessible and to be administered in a financially responsible manner. This is not now the case. Scholars, court administrators, and *every neutral study done on this issue over the last thirty years have concluded that money can be saved, delay can be reduced, and justice can be enhanced through court unification.*

FOR A MORE EFFICIENT AND LESS EXPENSIVE COURT SYSTEM, VOTE YES ON PROPOSITION 10.

EDMUND G. "PAT" BROWN
Formerly Governor and Attorney General
State of California

OMER L. RAINS
State Senator, 18th District
Chairman, Senate Judiciary Committee

G. DENNIS ADAMS
Judge, Superior Court of San Diego County

Rebuttal to Argument in Favor of Proposition 10

Don't be fooled. It is not possible to pay judges more money, keep the same support staff, and save any money.

The proponents of Proposition 10 are asking you to visit havoc upon the very trial court to which the people have the most ready access and ignore the fact that every dollar they claim to save can be saved today—without Proposition 10.

California's Constitution already permits the Legislature to designate the county clerks as clerks of the municipal courts as well as the superior court. Thus all recordkeeping duplication can be eliminated. Already the Chief Justice may designate municipal court judges to sit, as available, as superior court judges, thus permitting maximum efficiency and preventing congestion in some courtrooms while other courtrooms are idle.

What does this cost the taxpayer? Nothing. Every dollar of real savings can be achieved without any expense, without any pay raise, and without Proposition 10.

The "independent study" the proponents cite is not a study of Proposition 10. That study, proposing state financing of courts at an extra $30,000,000 annual cost, proposed to "save" state money by usurping local revenue used to support law enforcement.

We all want lean, efficient, effective courts. Proposition 10 does not help.

It does claim to give you an "option." Your options are to PAY for local studies and PAY for local elections so you can PAY judges more money. Or you can opt to *SAVE* money and vote *NO on Proposition 10.*

ANTHONY MURRAY
President, State Bar of California

EDWIN L. MILLER, JR.
District Attorney, County of San Diego

PETER MEYER
President, County Clerks Association of California, Inc.

Argument Against Proposition 10

Masquerading as a "streamlining" of California courts, Proposition 10 is a hoax which will give each affected municipal court judge a $5,931 raise in annual salary and benefits. In return for this generosity, the California public will see the step-by-step destruction of the municipal court, the "people's court" to which they now have ready access for the resolution of disputes.

The Legislature considered this proposal, but no legislative fiscal committee studied the costs to the people. Certain costs are known. There are 487 municipal court judges who now each receive $57,776 per year. Under this proposal each judge can receive an annual salary of $63,267 plus $440 per judge additional public contributions to the Judges' Retirement Fund. If each affected county adopts court unification, this means a known higher cost of $2,888,397 just so municipal court judges can call themselves superior and collect a bigger paycheck.

That's not all. Each affected municipal court judge will eventually receive an increased retirement check from the already underfunded Judges' Retirement Fund. This is an undetermined cost increase to all state taxpayers. There are substantial unknown additional costs for additional support personnel. The elimination of the elected county clerk as clerk of the unified court removes voter control over this vital function and invites "cronyism" with its added cost.

Proposition 10 will "reform" the California courts only by allowing counties to dismantle a proven, effective, and efficient two-tier court system by destroying the municipal court. The municipal court is truly the "people's court," providing speedy resolution of most of the public disputes and expediting hearings in criminal cases. To eliminate such an important court in order to elevate municipal court judges to a perceived *higher* status at higher pay is not court reform but court destruction.

Californians demand more accountability from their judges. This proposal offers less. Under court unification, our proven system of superior court judges reviewing the action of municipal court judges is all but destroyed. A judge cannot and should not be expected to review the work of a colleague, knowing that perhaps next week their roles will be reversed. The appearance and substance of justice will be questioned, and public confidence in the courts will be eroded.

In San Diego County, where a pilot court unification experiment was authorized by the Chief Justice and conducted at no added cost to the taxpayer, the fundamentals of this proposition have been studied. As a result, Proposition 10 is opposed by the San Diego District Attorney, the Criminal Defense Bar Association of San Diego, the San Diego County Bar Association, a majority of superior court judges, and many in law enforcement.

This proposition is also opposed by the State Bar of California, the California District Attorneys Association, and the California Attorneys for Criminal Justice.

Experts will differ as to the methods of meaningful court reform. Pay raises to judges is not court reform. Proposition 10 proposes a fiscal fiasco that must be defeated.

Vote against more expensive courts. *Vote NO!*

JOHN G. SCHMITZ
State Senator, 36th District

STEVE WHITE
Executive Director
California District Attorneys Association

THOMAS H. AULT
President, San Diego County Bar Association

Rebuttal to Argument Against Proposition 10

The argument in opposition to Proposition 10 is deceitfully written to convey the false impression that it is simply a pay raise for municipal court judges. The FACTS are that Proposition 10 will SAVE MONEY, INCREASE JUDICIAL ACCOUNTABILITY, INCREASE EFFICIENCY, AND GIVE YOU—THE CITIZEN—MORE SAY IN HOW *YOUR* COURTS ARE RUN.

For the most part, those opposed to Proposition 10 are those who wish to maintain the status quo because they have learned how to "play the system," seeking delays and postponements, and thus preventing a swift and sure delivery of justice.

Unlike what the opponents suggest, California's courts are no longer efficient. The front page of your newspaper tells you that. Just ask yourself: "Are you satisfied with today's costly, congested, and overstaffed court system?" If you are, then do as the opponents suggest and vote against this proposition.

BUT, if you're not satisfied with "business as usual" and want a LESS COSTLY court system—one that will help our courts to more effectively address, for example, the problems of crime and criminal conduct—then you should vote YES on Proposition 10.

After all, shouldn't you—the citizen—have some say in the way in which the courts are run in your own county? We think you should, over two-thirds of the Legislature—Republicans and Democrats alike—agree, and so do all independent authorities who have studied the question of court unification.

VOTE YES ON PROPOSITION 10.

OMER L. RAINS
State Senator, 18th District
Chairman, Senate Judiciary Committee

LARRY STIRLING
Member of the Assembly, 77th District
Member, Assembly Judiciary Committee

JOHN GARDENAL
President, California Trial Lawyers Association

11 Beverage Containers: Initiative Statute

Official Title and Summary Prepared by the Attorney General

BEVERAGE CONTAINERS. INITIATIVE STATUTE. Requires that beverage containers sold, or offered for sale, on or after March 1, 1984, have a refund value, established by the distributor, of not less than 5 cents. Requires refund value be indicated on container. Requires that dealers and distributors pay the refund value on return of empty container. Provides for establishment of redemption centers. Provides for handling fees for dealers and redemption centers. Prohibits manufacturer from requiring a deposit from a distributor on a nonrefillable container. Contains definitions, specified exceptions, conditions, and other matters. Provides violation of statute is an infraction punishable by fine. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: Net fiscal effect on state and local governments cannot be determined. Could result in reduced litter cleanup costs, reduced solid waste disposal costs, and an unknown increase or decrease in tax revenue collections. Variables involved are discussed in more depth in Analyst's estimate.

Analysis by the Legislative Analyst

Background:

Beer and carbonated soft drinks are sold to consumers in two different types of containers—those which can be refilled and those which cannot. Most beer and soft drinks sold in California today are packaged in "nonrefillable" glass bottles, cans or plastic bottles.

Currently about 60 percent of the aluminum cans used as beverage containers in California are being collected, crushed and reused in the production of aluminum products. About 40 percent of the glass bottles used to hold beer and soft drinks are of a "refillable" type, and usually are returned to the bottler for reuse. Most the remaining beverage containers are buried in landfills or discarded as litter.

Nine states have adopted laws which require empty beverage containers to be redeemable for cash. In states with deposit laws, the proportion of containers returned to be refilled or reused exceeds 90 percent.

Proposal:

This measure, the Beverage Container Reuse and Recycling Act, would require every empty beer and other malt beverage, mineral water, soda water, and similar carbonated soft drink container to be redeemable for cash, as a means of encouraging consumers to return empty cans and bottles rather than discard them as litter or municipal waste.

Specifically, this measure provides that:

1. Beginning March 1, 1984, every such beverage container sold or offered for sale in California shall have a refund value (when returned empty) of at least 5 cents. While the measure does not specifically so provide, consumers probably would be required to pay this amount as a deposit to the retailer when the consumers purchase the beverage.

2. A consumer who returns an empty container to a retailer that sells the same kind, size, and brand must be paid the refund. (Alternatively, consumers could return the beverage container to a redemption center, as authorized by the measure, and receive a refund.)

3. A retailer, or a redemption center as specified, that returns empty containers to a wholesaler or bottler of the same kind, size, and brand must be paid the refund, plus a handling fee equal to 20 percent of the refund.

Fiscal Effect:

This measure would have a fiscal effect on both the state and local governments. The net impact of the measure's fiscal effect, however, cannot be determined.

Based on the experience of states with deposit laws, it appears that this measure, if approved by the voters, would result in a significant *increase* in the percentage of empty beverage containers recycled or refilled and, therefore, a significant *decrease* in the percentage of empty beverage containers that are discarded.

The shift in the disposition of empty beverage containers would be accompanied by changes in the behavior of both businesses and individuals, which could affect (1) the amount of litter and solid waste in California, (2) beverage prices, (3) beverage sales, (4) corporate profits, (5) employment, and (6) the average wage levels of workers involved in the production and sale of beer and carbonated soft drinks. As a result, the measure could affect government costs and revenues in numerous ways. These include:

1. **Reduced Litter Cleanup Costs.** Deposit laws in other states have caused reductions of approximately 80 percent in the amount of *beverage container* litter. Estimates of the resulting change in *total* litter range from almost no change to reductions in excess of 30 percent. If this measure is approved, it is likely that governmental agencies would experience some savings in litter cleanup costs.

2. **Reduced Solid Waste Disposal Costs.** Deposit laws in other states also have resulted in an estimated 3- to 4-percent reduction in the amount of municipal solid waste that must be disposed of. Because solid waste disposal services in California are provided by government agencies, as well as by private firms, a reduction in the amount of waste to be disposed of would reduce costs to these agencies. In the short run, a reduction in the volume of waste would result in only moderate savings for government agencies that provide solid waste disposal services, because local solid waste re-

moval systems are sized to handle the current volume of waste and a large portion of the costs of these systems is fixed. In the long term, these agencies could experience significant savings as a result of the reduction in solid wastes requiring disposal.

3. **An Increase or Decrease in Tax Revenue Collections.** This initiative could change the amount of tax revenues which state and local governments collect, although the overall magnitude of this change—and even its direction (up or down)—is unknown. A change in revenues can be anticipated because the initiative could affect such factors as corporate profits, beverage sales, and beverage-related employment and wage levels. This, in turn, could have an impact on revenue collections from the sales and use tax, the bank and corporation tax, the personal income tax, and the excise tax on beer. Some of these revenue effects are likely to be positive; others are likely to be negative. For example:

- *Sales and use tax* revenues could be reduced if the volume of beverages sold declines. These revenues could also be increased, however, to the extent that beverage prices rise. The effect of the measure on sales and use tax revenues would also depend on whether the deposit paid by consumers on nonrefillable bottles and cans is itself subject to tax. The effect of the measure on sales and use tax revenue would further depend on the way in which any increase or decrease in spending by consumers on beverages is offset by changes in their spending on other taxable and nontaxable commodities.
- *Excise tax* revenues from the sale of beer would decline if the volume of beer sales declines as a result of the measure.
- *Bank and corporation profits tax* revenues could decline if the costs incurred by bottlers and retailers increase as a result of the measure and the increase is not offset by higher prices charged to consumers.
- *Personal income tax collections* could decline to the extent that proprietors' incomes fall, or more lower-wage and fewer higher-wage workers are employed in the manufacturing, distribution, and retailing of beverages. Personal income tax revenues could also increase, however, if total beverage-related employment and wages paid rise significantly due to an increase in the demand for retail and beverage transportation workers.

Experience with mandatory deposit laws in other states does not yield conclusive evidence regarding the ongoing impact of these laws on those key economic variables that affect government revenues. Therefore, it is not possible to predict with any reliability what the net effect of this measure would be on state and local government revenues in California.

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure proposes to add new provisions to the law. Therefore, the new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

An act to add Division 12.1 (commencing with Section 14500) to the Public Resources Code, relating to beverage containers.

DIVISION 12.1. BEVERAGE CONTAINER REUSE AND RECYCLING

CHAPTER 1. GENERAL PROVISIONS

14500. This division shall be known and may be cited as the Beverage Container Reuse and Recycling Act.

14501. The people of the State of California find and declare as follows:

(a) The failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of important state and national energy and material resources.

(b) The littering of empty beverage containers constitutes a public nuisance, safety hazard, and esthetic blight and imposes upon public and private agencies unnecessary costs for the collection and removal of such containers.

(c) Empty beverage containers constitute a significant and rapidly growing proportion of municipal solid waste, disposal of which imposes a severe financial burden on local governments.

(d) The reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on individuals, local governments, and the environment.

(e) A system for requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers.

(f) A system for requiring a refund value on the sale of all beverage containers would result in significant energy conservation and resource recovery.

(g) A system for requiring a refund value on the sale of all beverage containers would be anti-inflationary and help create jobs in areas of commerce.

(h) A system for requiring a refund value on the sale of all beverage containers would be inexpensive to administer because of its self-enforcing nature.

14502. Unless the context otherwise requires, the following definitions shall govern the construction of this division:

(a) "Beverage" means beer and other malt beverages, mineral waters, soda water, and similar carbonated soft drinks in liquid form and intended for human consumption.

(b) "Beverage container" means the individual, seperate bottle, can, jar, carton, or other receptacle, however denominated, in which a beverage is sold, and which is constructed of metal, glass, plastic, or any combination of such materials. "Beverage container" does not include cups and other similar open or loosely sealed receptacles that are primarily for use on the premises of the seller.

(c) "Consumer" means every person who purchases a beverage in a beverage container for use or consumption, and every person not a distributor who lawfully comes into possession of a beverage container, whether or not filled with a beverage, including, but not limited to, lodging, eating, or drinking establishments.

(d) "Dealer" means every person in this state who engages in the sale of beverages in beverage containers to a consumer, excepting a person who sells beverages through a vending machine to the extent of those beverages actually sold through the machine.

(e) "Distributor" means every person who engages in the sale of beverages in beverage containers to a dealer in this state, including any beverage manufacturer who engages in such sales.

(f) "Empty beverage container" means a beverage container which is all of the following:

(1) Has the seal installed by the beverage manufacturer broken or removed.

(2) Does not contain foreign materials other than the residue of the beverage filled into the beverage container by the beverage manufacturer.

(3) Bears the refund value embossing or affixed device required pursuant to Section 14511.

(4) If made of glass or plastic, is unbroken.

(g) "Manufacturer" means any person who bottles, cans, or otherwise fills beverage containers for sale to distributors or dealers.

(h) "Non-refillable beverage container" means a container which would not ordinarily be returned to the manufacturer to be refilled and resold.

(i) "Place of business of the dealer" means the location at which a dealer sells or offers for sale beverages in beverage containers to consumers. "Place of business of a dealer" does not mean the location of a vending machine which dispenses beverages in beverage containers.

(j) "Redemption center" means an operation which accepts from consumers, and pays the refund value for, beverage containers.

(k) "Use or consumption" includes the exercise of any right or power over a beverage incidental to the ownership thereof, other than the sale or the keeping or retention of a beverage for the purposes of sale.

14503. The provisions of this division are a matter of statewide interest and concern and are applicable uniformly throughout the state, and it is the intention of this act to occupy the whole field of regulation of refund value of

Continued on page 63

11 Beverage Containers: Initiative Statute

Argument in Favor of Proposition 11

IT WORKS IN OTHER STATES

Proposition 11 makes all beer and soft drink containers returnable for a minimum 5¢ refund. It will reduce waste and clean up California's litter problem without creating government bureaucracy.

Similar measures have been passed in New York, Michigan, Oregon, Massachusetts, Connecticut, Iowa, Maine, Delaware, and Vermont. They have been popular and effective. Ninety percent of containers are returned to be reused or recycled.

CLEAN UP LITTER

This initiative gives everyone a simple way to clean up the ugly litter that is ruining the beauty of California.

Every single minute in California we throw away nearly 13,000 beer and soft drink containers. Many of these become broken glass on our streets, roadsides, and beaches, causing serious injuries and doctor bills. Too many children have sliced their bare feet on throwaway litter!

The 5¢ deposit is an incentive not to litter in the first place. It is also an incentive for citizens to clean up after themselves. It will eliminate 80 percent of container litter.

REDUCE TRASH

This proposal will reduce trash. That's important because cities are running out of dump sites and trash disposal is the second most costly municipal service.

SAVE TAX DOLLARS

Litter increases in California every year, and so does the huge tax bill to clean it up. Last year the State Department of Transportation alone spent $13 million just to clean up the litter on our highways. The total tax bill for litter cleanup is more than $100 million a year. States with refundable deposit laws have saved much of this expense.

CONSERVE ENERGY AND NATURAL RESOURCES

Wasting precious energy and resources is very expensive. Proposition 11 will save California the energy equivalent of 100 million gallons of oil every year. It will also save glass, aluminum, steel, plastic, and, importantly, water, according to objective studies by various government agencies.

SAVE CONSUMERS MONEY

Most consumers have had some experience with returnables. At one time all beer and soft drink containers were returnable, and some still are. Consumers who compare prices know that beverages in refillable deposit bottles are much less expensive than in throwaways. In the long run, Proposition 11 will save consumers millions of dollars.

CREATE MORE JOBS

A returnable system means thousands of productive new jobs for Californians. There will be new jobs for grocery clerks, truck drivers, and recyclers.

WHO ARE THE OPPONENTS?

Opponents of Proposition 11 are mainly the large industries who make more money by selling wasteful throwaway containers. They claim that all kinds of undesirable things will happen to our state if Proposition 11 passes. But they made the same charges in other states where this proposal has passed, and what has been the actual result? As reported in *Time* magazine, "Despite dire predictions, the experience of the states that enacted them shows clearly that 'bottle' bills work."

California is a beautiful state. That is an important reason that we live here. We can make it cleaner, keep it cleaner, and be less wasteful by voting "yes" on Proposition 11.

RICHARD B. SPOHN
Director, California Department of Consumer Affairs

CHRIS ADAMS
President, California State PTA
(Parent-Teacher Association)

D. BILL HENDERSON
Secretary-Treasurer, Southwestern States Council of the United Food and Commercial Workers, AFL/CIO
(formerly the Retail Clerks Union)

Rebuttal to Argument in Favor of Proposition 11

A WORTHWHILE IDEA . . . A BAD LAW

Proposition 11 is well intentioned but creates more problems than it solves. We urge you to vote "NO."

The problem is caused by a very few people with bad manners. Wasting consumers' money just won't solve the problem.

THE TRUTH ABOUT OREGON

A Portland Oregonian article said, "The truth is, Oregon does not lead the nation in recycling."

California already has a recycling industry, which has more than 900 self-supporting recycling operations.

THE TRUTH ABOUT MICHIGAN

Detroit's major daily newspaper reported the Forced Deposit Law caused prices to increase as much as $2.40 per case, plus deposits. Beverage truck gasoline increased 4.38 million gallons annually, and a Michigan Legislature study showed total litter actually increased, despite the huge cost and inconvenience to consumers.

WHAT ECONOMISTS SAY

Economist Sylvia Porter reports, "The increased costs incurred by beverage retailers and wholesalers for handling, sorting, transporting, and washing empties are passed on—and the pass-throughs stop at the consumer."

PROPOSITION 11 WILL PUNISH EVERYONE

Proposition 11 will be a major annoyance for consumers, who must store containers in their home or apartment, carry them into stores that sell the same brands, and wait in long lines at checkout counters.

WRONG SOLUTION

Here's what KNBC-TV decided about Proposition 11:

"Every store and supermarket selling beverages will have to buy empties back, store them all dirty, sticky and smelly for later collection . . . The bottle bill, we fear, is a well-intentioned mistake."

Please vote "NO" on Proposition 11.

CASS ALVIN
Member, State Solid Waste Management Board

BARBARA KEATING-EDH
President, Consumer Alert
Captain, President's Transition Team
Consumer Product Safety Commission

JOHN HAY
Executive Vice President
California Chamber of Commerce

Argument Against Proposition 11

If Proposition 11 were as simple and beneficial as the supporters suggest, we would support Proposition 11 enthusiastically.

But we urge you to read the fine print. We're convinced you will then *vote "NO" on Proposition 11.*

Experience in other states shows Proposition 11 will *increase prices, destroy existing voluntary recycling programs, increase the use of fuel and water, lose jobs* in manufacturing industries, and create *sanitation problems* in food stores.

It just doesn't make sense to punish all Californians because of the thoughtlessness of a few people.

Like many well-intentioned propositions, this initiative goes too far, costs too much, and creates more problems than it would solve.

The Chapman College Center for Economic Research estimates Proposition 11 could:

- INCREASE CONSUMER COSTS of beverages by over $319 million per year;
- RAISE PRICES of beer or soft drinks by as much as $1.44 per case;
- INCREASE WATER USE in California by as much as one billion gallons per year;
- INCREASE GASOLINE USE by 17 million gallons per year.

There is a hidden handling fee in Proposition 11 of 20 percent of deposits. THIS FEE—A KIND OF HIDDEN TAX—WOULD ADD AT LEAST *$110 MILLION* TO COSTS EACH YEAR.

In states with a forced deposit law, *prices have increased* substantially. Sales have dropped or slowed in these states, resulting in *excise tax losses.*

In California the state and federal revenue *loss could be over $8 million* per year. Consumers will pay for this loss through higher sales taxes from higher beverage prices.

The existing California recycling system now reclaims over 55 percent of aluminum cans and over 500 million beverage bottles yearly. *California already leads the nation in voluntary recycling,* and this recycling is increasing steadily.

This proposition would seriously damage California's existing recycling programs and deprive charity groups and private recyclers of their most important resource.

Grocers are concerned about *sanitation problems* from beverage residue that Proposition 11 could create. Filthy returned cans and bottles—*over 11 billion* a year—don't belong in grocery stores, where our food is stored and sold.

Sanitation problems in other states with similar laws have caused increased use of *chemical sprays* in grocery stores to combat rodents and insects.

Beverage containers are only about 5 percent of total waste. To deal with such a small percent of waste at an annual cost of over $319 million—plus sales taxes—is a very *bad deal for taxpayers.*

We admire the goals of Proposition 11, but the proponents have not weighed the full cost of this initiative against the very limited benefits it might produce.

We support a better approach: enforcement of existing laws, education programs for young people, and support for the existing voluntary recycling system. *All of us could support such a proposal.* Unfortunately, Proposition 11 does none of these.

Proposition 11 is a misleading and costly law that would inconvenience and punish all Californians because of the bad habits of a few people.

We urge you to vote "NO" on Proposition 11.

BARBARA KEATING-EDH
President, Consumer Alert
Captain, President's Transition Team
Consumer Product Safety Commission

DONALD BEAVER
President, California Grocers Association

GARY PETERSON
Cofounder, California Resource Recovery Association
President, Ecolohaul Recyclers

Rebuttal to Argument Against Proposition 11

The so-called Chapman College study that provided statistics for the opponents' argument was paid for by large out-of-state companies such as Miller Brewing in Wisconsin and Pepsi Cola in New York.

The *Los Angeles Times* has termed these companies and their allies the "Litter Lobby."

Statements in their argument are intended to confuse voters and they require clear answers.

Prices

A price study shows that *average beverage prices paid by consumers are lower* in four of the five "bottle bill" states surveyed than in neighboring states.

Recycling

States with programs such as Proposition 11 have the *highest recycling rates in the country,* higher than California.

The California Resource Recovery Association (community recyclers) overwhelmingly supports Proposition 11.

Litter and Waste

A recent study reports that *one-third of litter is beer and soft drink containers.* Proposition 11 would eliminate 80 percent of this.

The 5 percent of *total waste* saved by Proposition 11 would be more than *one million tons each year.*

Fuel and Water

Our opponents isolate particular stages in the container manufacturing and distribution system and use them out of context. *For the whole system, every study shows fuel and water savings.*

Sanitation

Only a small number of sanitation problems have been reported by inspection agencies in states with returnable systems.

Jobs

Every study shows a net gain. A report by the California Public Interest Research Group predicts a *gain of 4,780 jobs* from Proposition 11.

Time magazine says: "Bottle bills clearly work."

Please vote "yes" on Proposition 11.

RICHARD SPOHN
Director, California Department of Consumer Affairs

CHRIS ADAMS
President, California State PTA
(Parent-Teacher Association)

D. BILL HENDERSON
Secretary-Treasurer, Southwestern States Council of the United Food and Commercial Workers, AFL/CIO
(formerly the Retail Clerks Union)

12 Nuclear Weapons: Initiative Statute

Official Title and Summary Prepared by the Attorney General

NUCLEAR WEAPONS. INITIATIVE STATUTE. This measure identifies the people's concern about the danger of nuclear war between the United States and the Soviet Union and states findings and declarations regarding this. It requires the Governor of California to write a specified communication to the President of the United States and other identified United States officials urging that the United States government propose to the Soviet Union government that both countries agree to immediately halt the testing, production and further deployment of all nuclear weapons, missiles and delivery systems in a way that can be checked and verified by both sides. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: No direct fiscal effect on the state and local governments.

Analysis by the Legislative Analyst

Background:

The Constitution of the United States provides that the President shall have the power to make treaties with other countries, with the advice and consent of the U.S. Senate. It also provides that the people may petition the government to express their views.

Since the end of World War II, there has been extensive development and production of nuclear weapons for military purposes.

Proposal:

This measure requires the Governor of California to transmit by December 31, 1982, a letter to the President, the Secretary of Defense, the Secretary of State, and all Members of Congress. The letter must urge the United States to propose to the Soviet Union that both countries halt the testing, production, and deployment of all nuclear weapons in a way that can be checked and verified by both governments. The exact contents of the letter are set forth in the measure.

Fiscal Effect:

This measure would have no direct fiscal effect on the state and local governments.

Polls are open from 7 a.m. to 8 p.m.

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure proposes to add new provisions to the law. Therefore, the new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

A BILATERAL NUCLEAR WEAPONS FREEZE INITIATIVE

Section 1. Findings and Declarations. We, the people of the State of California, do hereby find and declare:

(a) The safety and security of the United States must be paramount in the concerns of the American people.

(b) The substantial and growing danger of nuclear war between the United States and the Soviet Union which would result in millions of deaths of the people in California and throughout the nation, can be reduced by an agreement that both countries immediately halt the testing, production and further deployment of all nuclear weapons, missiles and delivery systems in a way that can be checked and verified by both sides.

(c) This measure is necessary to reduce the threat of nuclear war to the health and well-being of the citizens of California and the entire country.

Section 2. Text of Transmittal. The Governor shall prepare and transmit on or before December 31, 1982, the following written communication to the President of the United States, the Secretary of Defense, the Secretary of State and all members of the United States Congress:

"The People of the State of California, recognizing that the safety and security of the United States must be paramount in the concerns of the American people; and further recognizing that our national security is reduced, not increased, by the growing danger of nuclear war between the United States and the Soviet Union which would result in millions of deaths of people in California and throughout the nation; do hereby urge that the Government of the United States propose to the Government of the Soviet Union that both countries agree to immediately halt the testing, production and further deployment of all nuclear weapons, missiles and delivery systems in a way that can be checked and verified by both sides."

12 Nuclear Weapons: Initiative Statute

Argument in Favor of Proposition 12

Nuclear war can't be won. Everyone loses.

At stake are the lives of our children, our nation's security, the very survival of human life on earth.

The nuclear arms race brings total destruction ever closer, but now we can reduce the danger.

A YES vote on Proposition 12, the freeze, is the first step.

Proposition 12 calls on our federal government to negotiate with the Soviet Union an immediate verifiable agreement by both countries to STOP FURTHER TESTING, PRODUCTION, AND INSTALLATION OF NUCLEAR WEAPONS.

Proposition 12 requires that the freeze be accepted by BOTH Russia and the United States.

Proposition 12 requires safeguards against cheating—safeguards that our military experts say are effective—safeguards approved by our government.

The United States is second to none in total nuclear weapons. We have the power to destroy Russia, not once but many times. Russia can also destroy us.

No matter which side strikes first, both will be destroyed.

The United States has approximately 30,000 nuclear weapons. Russia has approximately 20,000; yet both are building thousands more. Each costly new weapon built by one side has always been matched by the other.

The nuclear arms race only increases the danger to us.

The freeze is the logical first step to ending the nuclear arms race. It is critically needed NOW for two reasons.

1. THE RISK OF ACCIDENTAL WAR IS INCREASING. Planned new missiles will cut attack warning time from 30 minutes to just 6 minutes. Defense will have to rely more and more on computers. A computer error could trigger an accidental nuclear war that would destroy us all.
2. WITHOUT A FREEZE, THE NUCLEAR ARMS RACE GOES ON. We support the goal that both sides reduce their nuclear forces. Unless the freeze comes now, both sides will add more dangerous nuclear weapons while negotiations drag on.

Your vote FOR Proposition 12 will let the President and the world know that the American people support an end to the nuclear arms race and reductions in nuclear arsenals.

The people must raise their powerful voice. We must not just leave our children's fate to politicians and "experts" who have brought us to this present threat of extinction.

President Eisenhower was right.

"I like to believe that people in the long run are going to do more to promote peace than our governments," Eisenhower said.

"Indeed, I think that people want peace so much that one of these days governments had better get out of their way and let them have it."

The freeze is the first step. For our children, for all of us, vote YES.

DR. OWEN CHAMBERLAIN
Professor of Physics and Nobel Laureate

HOMER A. BOUSHEY
Brigadier General, United States Air Force, Retired

JOHN H. RUBEL
Former Assistant Secretary of Defense

Rebuttal to Argument in Favor of Proposition 12

A YES vote on the freeze initiative will not reduce the danger of nuclear war. That danger comes from the Soviet Union, now engaged in the largest nuclear weapons buildup in history. During the past decade the United States unilaterally reduced its nuclear weapons stockpile and suspended the production and deployment of major strategic systems. In short, we accepted the freeze.

On March 16, Soviet President Leonid Brezhnev announced a unilateral Soviet freeze on the deployment of SS-20 intermediate-range nuclear missiles targeted on western Europe. The Soviet-dominated World Peace Council extolled him. So did many sincere people.

Then we learned that between mid-March and July 1 the Soviet Union deployed 45–50 more SS-20 missiles. It's dangerous to trust a Brezhnev-type freeze.

The risk of war, accidental or otherwise, hasn't increased because of computers, but rather because of a predatory Soviet state that is arming itself beyond any defensive need.

The United States is now attempting in Geneva to achieve a REDUCTION of nuclear weapons that is balanced and verifiable. The first step to end the arms race is balanced and verifiable arms REDUCTION. A Brezhnev-type freeze won't help.

Support America's negotiators.

Send Brezhnev a message.

Vote NO on Proposition 12.

ADMIRAL U. S. G. SHARP
USN, Retired
Cochair, the Committee for Verified Arms Reduction—"No" on the Freeze

ROBERT GARRICK
Former Deputy Counselor to President Reagan
Cochair, the Committee for Verified Arms Reduction—"No" on the Freeze

Argument Against Proposition 12

Vote NO on the Freeze Initiative!

The "Freeze Initiative" will be used to undercut the bargaining position of the United States in trying to achieve real nuclear arms reductions from the Soviets.

Why would the Soviets, after engaging in the largest arms buildup in history, now embrace the "freeze"? Because it serves their interests!

According to the READER'S DIGEST, June '82: The Dutch government expelled Vadim Leonov; "supposedly a Tass correspondent, he was in fact a KGB agent and link man with peace activists. During an unguarded talk . . . he confided 'If Moscow decides 50,000 demonstrators must take to the streets in Holland, they will take to the streets.' "

And yet the Soviets systematically suppress any peace movement on their own soil. According to the Associated Press (6-28-82): "Police yesterday reportedly detained eight people who endorsed an appeal by Moscow's only independent peace group for improved U.S.-Soviet relations.

"Valery Godyak, 41, said . . . that two police officers stood in front of his apartment door and refused to allow him, his wife or the other six people who signed the documents to leave . . . Police earlier detained, or placed under house arrest, most of the 11 original members of the Group for the Establishment of Trust Between the United States and the Soviet Union."

If the Soviets won't allow a peace movement at home, why have they gone to such great lengths to support the European peace movement?

President Reagan has proposed the most extensive disarmament program in history, including:

- Elimination of land-based intermediate-range missiles,
- A one-third reduction in strategic ballistic missile warheads,
- A substantial reduction in NATO and Warsaw Pact ground and air forces, and
- New safeguards to reduce the risk of accidental war.

The "Freeze Initiative" won't eliminate nuclear weapons. It would "freeze" the Soviet advantage over the United States.

The initiative calls for verification, but the only way Soviet compliance with stopping production of nuclear weapons can be assured is through on-site inspection of Soviet facilities. They have adamantly refused to consider this since America's first proposal in 1946 to internationalize all nuclear developments under strict inspection and safeguards.

Recent Soviet violations of the Geneva Protocol of 1925, related rules of international law, and the 1972 Biological Weapons Convention—through the supply and use of toxic gas in southeast Asia and Afghanistan—should make it clear that Soviet promises cannot be trusted.

If the "Freeze Initiative" passes, it will undercut the true arms reduction our negotiators are trying to achieve from the Soviets in Geneva. Remember, the United States is not the chief enemy of peace and freedom in the world.

Give America its best chance at the Strategic Arms Reduction Talks.

VOTE NO on THE "FREEZE"! VOTE NO on Prop 12!

ADMIRAL U. S. G. SHARP
USN, Retired
Cochair, the Committee for Verified Arms Reduction—"No" on the Freeze

ROBERT GARRICK
Former Deputy Counselor to President Reagan
Cochair, the Committee for Verified Arms Reduction—"No" on the Freeze

Rebuttal to Argument Against Proposition 12

1. Our nation's security ranks first with us all. That's why millions of Americans—including large numbers of military experts—support the freeze.

2. A YES vote on Proposition 12 will send the message around the world that Americans are serious about meaningful nuclear arms reduction negotiations. A YES vote thus strengthens our negotiators' position in Geneva.

3. Without a freeze first, the nuclear arms buildup will continue while nuclear arms reduction negotiations drag on.

4. Without a freeze first, the danger of accidental war will increase.

5. It's safe to negotiate a freeze NOW because both sides are roughly EQUAL in nuclear forces. According to our Department of Defense Annual Report Fiscal Year 1982 ". . . The United States and the Soviet Union are roughly equal in strategic nuclear power" (page 43).

6. Experts in and out of government agree that strict and verifiable safeguards against cheating are possible. That's one reason why our government has been negotiating with the Russians.

7. A YES vote challenges the Russians to prove they will sign and live up to a freeze agreement, to prove that they are really serious about ending the arms race.

8. A YES vote demonstrates that free Americans—unlike Russians—can tell their government what to do. The Russian government is only affected by world opinion, which we help strengthen by our votes for Proposition 12.

9. Vote YES for freedom, for life, for security. The future is in our hands.

DR. OWEN CHAMBERLAIN
Professor of Physics and Nobel Laureate

HOMER A. BOUSHEY
Brigadier General, United States Air Force, Retired

JOHN H. RUBEL
Former Assistant Secretary of Defense

13 Water Resources: Initiative Statute

Official Title and Summary Prepared by the Attorney General

WATER RESOURCES. INITIATIVE STATUTE. Adds numerous sections to Water Code. Principal provisions: (1) Interbasin water transfers—requires development and implementation of specified water conservation programs for annual appropriations of more than 20,000 acre-feet. (2) Instream appropriations—allows for fishery, wildlife, recreational, aesthetic, scientific, scenic, water quality, and other uses. (3) Stanislaus River and New Melones Dam—specifies conditions concerning water storage and uses. (4) Groundwater—declares 11 named basins critical overdraft areas and establishes management authorities in these with specified duties and powers, including authority to limit, control, or prohibit groundwater extractions. Also contains policy statements, enforcement, and other provisions. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: Overall fiscal effect on state and local governments cannot be determined. Could result in $1.48 million annually (1982 prices) in increased costs for 6 years to State Water Resources Control Board to perform new responsibilities; unknown planning, administrative and implementation costs particularly in targeted areas; unknown litigation costs; unknown loss of power revenues; and unknown long-term savings in reduced costs to add new water supplies and pumping. Analyst's estimate discusses various factors involved.

Analysis by the Legislative Analyst

Background:

California is dependent on both surface water and groundwater to meet its water needs. Approximately 60 percent of the water used in California comes from surface sources such as rivers, lakes, and streams. The remaining 40 percent is pumped from wells in groundwater basins.

The natural distribution of surface water and groundwater varies greatly within the state. Approximately 70 percent of the state's average annual precipitation occurs in the northern third of the state. While groundwater occurs throughout the state, the major supplies are located in the Central Valley and in southern California.

The location of major population centers and the location of areas of agricultural production do not generally coincide with the location of surface and groundwater supplies. Therefore, state, federal, and local water agencies have constructed facilities to transport water from areas where it is available to areas where there is an unmet need for water. Even so, some areas lack sufficient natural or imported water supplies to meet current demand and are pumping so much water from wells that some wells eventually may fail.

Proposal:

This measure contains several statements on water policy and four separate sections which propose to increase both the efficiency with which water is used and public control over water. These sections cover water conservation, protection of instream water uses, restrictions on storage of water at the New Melones Reservoir, and groundwater management.

- **Water Conservation.** This section requires certain entities to develop water conservation programs. Entities subject to this requirement are those that (a) supply or will supply directly, or through contracts with the state or federal government, more than 20,000 acre-feet of water per year and (b) are involved in the transfer of water from one basin to another. The required water conservation programs must be submitted to the State Water Resources Control Board by January 1, 1985. An entity affected by this section of the measure may not undertake a new or increased transfer of water between basins until the board determines that the entity's water conservation program is being implemented adequately.

The water conservation program must identify all reasonable alternatives to conserve water, such as waste water reclamation, interbasin and intrabasin transfers of developed water supplies, and changes in water pricing. The program also must include a comparison of costs and a plan for implementation of alternatives to new or increased interbasin transfers. Under the measure any alternative that would cost less than importation of additional water would cost must be implemented before any additional water may be imported.

Each agency involved in water conservation is granted the authority to use any of its existing financing powers to implement the water conservation program.

- **Protection of Instream Uses.** Under existing law the State Water Resources Control Board is responsible for approving applications to appropriate water from streams and lakes. These appropriations normally involve a diversion or other form of physical control of the water. When determining the amount of water that may be appropriated by the applicant, the board must *consider* the public interest in retaining sufficient flows to support recreation and fish and wildlife.

This section would authorize the board to approve an appropriation of water from a stream or lake solely for "reasonable and beneficial instream uses," such as aesthetic, scientific, scenic, and water quality uses, without diverting or physically controlling the streamflow. In

Continued on page 63

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure proposes to add new provisions to the law. Therefore, the new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Division 8 (commencing with Section 15000) is added to the Water Code, to read:

DIVISION 8. WATER RESOURCES CONSERVATION AND EFFICIENCY ACT

PART 1. GENERAL DECLARATIONS AND POLICY

15000. This division shall be known and may be cited as the "Water Resources Conservation and Efficiency Act."

15001. The people of the State of California find and declare as follows:

(a) The waters of the state are a limited resource subject to ever increasing demands.

(b) Conservation and the efficient management of water resources are necessary to meet the competing needs of urban communities, industry, agriculture, and recreation.

15002. In order to promote balanced development and preservation of water resources for the benefit of present and future generations of Californians, the people of the State of California further find and declare as follows:

(a) Cost-effective methods of water conservation shall be promoted.

(b) Water development and use shall conserve water in rivers, streams and lakes, for fishing, recreation, wildlife support, water quality control, and related purposes.

(c) The Stanislaus River Canyon is an historical, geological, and natural treasure. At the present time, filling the New Melones Reservoir to a moderate level is an effective compromise that will provide for irrigation, flood control, power generation, and water quality enhancement, while preserving the natural and recreational qualities of the canyon.

(d) Underground water is a shared resource. Successful groundwater management programs, such as those of Los Angeles, Orange, Riverside, San Bernardino, and Santa Clara Counties, and other areas of the state, should be adapted to those parts of California known to have critically overdrafted groundwater basins.

PART 2. WATER EFFICIENCY AND CONSERVATION

15100. It is the policy of the State of California that:

(a) Conservation and the efficient use of water shall be vigorously pursued to protect both the people of the state and their water resources.

(b) Economic efficiency in water allocation and use requires that those who receive water from a water project pay their full proportionate share of the costs of developing and delivering that water; that subsidies shall be discouraged; that the use of property taxes to pay for any cost of water development or delivery shall be minimized; and that property taxes shall be phased out for payment of such costs associated with developed water supplies.

(c) Efficiency also requires that additional water importation be considered only where economically competitive water conservation programs are developed and implemented in the importing area.

15101. As used in this part:

(a) "Basin" means a hydrologic study area described in Department of Water Resources Bulletin 160-74; except that, for the purposes of this part, the Sacramento Basin and the Delta-Central Sierra Basin shall be deemed a single hydrologic basin.

(b) "Interbasin transfer" means the transfer of water for use in a basin other than the basin in which the source of the water is located.

(c) "Public agency" means (1) any state or federal agency; and (2) any city, city and county, county, or district organized, existing, and acting pursuant to the laws of this state.

15102. Every water supplier of, or contractor with the state or federal government for, more than 20,000 acre-feet of water per year, engaged in or contracting for the interbasin transfer of water on the effective date of this division, regardless of the basis of water right, shall on or before January 1, 1985, prepare and submit to the board a water conservation program as provided in Section 15104. After the effective date of this division, no such supplier or contractor shall make a new or increased interbasin transfer of water, regardless of the basis of water right, unless and until an adequate water conservation program has been prepared and is being adequately implemented, as determined by the board.

15103. An application to appropriate more than 20,000 acre-feet of water involving an interbasin transfer of water shall include a water conservation program as provided in Section 15104. Any permit or license issued by the board for an appropriation of water to which this section applies shall contain a condition requiring the continued satisfactory implementation of the water conservation program.

15104. The water conservation program shall be consistent with the policies in this division, and shall identify all reasonable water supply alternatives, including, but not limited to (1) water conservation and other practices to achieve greater efficiency in water use, (2) waste water reclamation, (3) improved water management practices, including groundwater management and conjunctive use of ground and surface waters consistent with any groundwater management program adopted pursuant to Part 4 of this division (commencing with Section 15300), (4) any pricing and rate structure change which would result in water conservation, (5) banking of water supplies for use in water deficient years, (6) interbasin and intrabasin transfers of developed water supplies, and (7) inbasin conventional water supply development. Any measure which would substantially impair significant wetlands shall not be deemed a reasonable water supply alternative. The water conservation program shall include, but not be limited to, a comparison of costs and a plan for implementation of alternatives. Where implementation of a water conservation program, or a portion thereof, will cost less on a marginal-cost basis than importation of additional supplies, the program, or portion thereof, shall be implemented prior to commencing additional importation projects. Implementation of alternatives shall include adoption of all necessary ordinances or regulations.

15105. Any public agency, water supplier or water contractor shall have the power to use any existing financing authority to implement a water conservation program as described in Section 15104.

15106. (a) No provision of this part shall be construed to endorse, require, or prohibit the construction, maintenance, or use of the facility authorized by subdivision (a) of Section 11255 (as added by Chapter 632, Statutes of 1980 (S.B. 200)), if Chapter 632 is effective.

(b) Nothing in this section shall affect any obligation of any person or entity under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

PART 3. INSTREAM PROTECTION

CHAPTER 1. GENERAL PROVISIONS

15200. (a) It is the purpose and intent of this part to conserve a reasonable amount of water in the streams, rivers, lakes, bays, estuaries, and wetlands of the state for the benefit of present and future generations of Californians.

(b) It is hereby declared to be the policy of the state that instream uses of water be given due consideration in the state's water rights permit and license system.

15201. Water may be appropriated for reasonable and beneficial instream uses, including, but not limited to, fishery and water-related wildlife uses and recreational, aesthetic, scientific, scenic, and water quality uses in the same manner as water is appropriated for other uses pursuant to Part 2 (commencing with Section 1200) of Division 2.

15202. The appropriation of water pursuant to this part does not require the diversion or any other form of physical control of the water appropriated. No change in place of use by an appropriator under Chapter 10 (commencing with Section 1700) of Part 2 of Division 2 shall be allowed for any appropriation of water for instream use, nor shall the right to appropriate water for instream uses create in the appropriator any right to exclude others from any beneficial, reasonable instream use of that water which is consistent with and does not impair the use for which the water is appropriated.

15203. Whenever an applicant for a permit to appropriate water pursuant to Division 2 (commencing with Section 1200) proposes a project or proposes the appropriation of water which may have an adverse impact on instream uses, the board shall allow the appropriation only upon the condition that the permittee implement measures to offset those impacts. The board shall reserve jurisdiction with respect to the provisions of any condition included in a permit or a license subject to this section.

15204. The board may establish instream flow protection standards to implement this part, provided that no such standards shall impair vested water rights.

CHAPTER 2. STANISLAUS RIVER

15225. In order to prevent the waste, unreasonable use, or unreasonable method of diversion of water, as provided in Section 2 of Article X of the California Constitution, the impoundment of water behind New Melones Dam on the Stanislaus River, except as required for (1) satisfaction of vested rights, (2) releases to preserve and enhance fish and wildlife, (3) releases for water quality control purposes, (4) flood control purposes, and (5) generation of hydroelectric power only to the extent that the water is stored and released for one or more of the four purposes listed above, shall be prohibited until the project operator has entered into long-term water service contracts for specific municipal, industrial, or agricultural uses representing at least 75 percent of the firm yield of the New Melones Project, as determined by the board.

15226. No person, state agency, subdivision of the state, state-regulated agency, or entity organized under the laws of the State of California shall enter into any contract for the purchase and delivery of water from the New Melones Project unless the contract provides for the payment by the purchaser of the purchaser's proportionate share of both of the following:

(a) All operation, maintenance, and delivery costs for the New Melones Project and related conveyance facilities during the term of the contract; and

(b) The construction costs of the New Melones Project without subsidy from other facilities or other water users.

Continued on page 64

13 Water Resources: Initiative Statute

Argument in Favor of Proposition 13

CALIFORNIA HAS A WATER PROBLEM. It is a statewide problem and it requires a statewide solution.

Proposition 13 is a balanced and reasonable measure that will

- Help meet the critical water needs of southern California during the next 15 years, while
- Addressing the serious environmental concerns about the management of northern California water supplies.

PROPOSITION 13 ESTABLISHES A STATEWIDE GOAL —TO END WASTEFUL AND INEFFICIENT USES OF WATER IN CALIFORNIA. It requires communities and water districts throughout the state to draft and implement *their own local plans* to meet this goal.

- It provides *economic incentives for farmers and water agencies* to manage their water more efficiently.
- It creates *fair water pricing* by phasing out the use of property taxes as price subsidies for big water users.
- It provides *essential protection for California's underground water supplies* which are being overpumped to a critical point in some parts of the state.
- It establishes a new and modern policy to *protect our remaining public rivers and streams* against being totally dammed and diverted for private use.

A *"YES"* vote on Proposition 13 will give us a new and balanced policy for the management of our water. *ITS PASSAGE IS ESSENTIAL TO PROTECT CALIFORNIANS FROM A SERIOUS WATER CRISIS.*

We urge a *"YES"* vote on Proposition 13.

SCOTT E. FRANKLIN
Chairman, California Water Commission

JEANNE G. HARVEY
State Water Director,
League of Women Voters of California

A. ALAN POST
Former Legislative Analyst, State of California

Rebuttal to Argument in Favor of Proposition 13

Supporters of Proposition 13 are absolutely right about one thing: CALIFORNIA DOES HAVE A WATER PROBLEM.

BUT *their radical solution will surely make our problem* WORSE!

In fact, their proposal has *repeatedly* been rejected as "naive, unsound, and extremist" by the State Legislature, water experts, economists, and consumer groups.

More convincing reasons to VOTE NO on PROPOSITION 13 are found in the facts the *supporters don't tell you.*

FACT—A huge, *complex* STATE BUREAUCRACY will be created to *dictate* all water policy decisions.

FACT—Proposition 13 opens the door for *any* individual or extremist group to tie up the courts for *decades* on issues concerning needed water and energy projects.

FACT—The "protections and incentives" outlined by supporters are for the benefit of FISH *first,* people and food *last.*

FACT—Some local decisionmaking on water policy would be restricted—replaced by UNELECTED STATE BUREAUCRATS who want to *control your rights to use water.*

FACT—Proposition 13 *actually* PENALIZES URBAN WATER USERS for conserving precious water resources.

Proposition 13 *is not* a balanced and reasonable measure, as supporters claim. Rather *it is* a RADICAL REVISION of water policy that virtually guarantees *IMMEDIATE* WATER SHORTAGES, HIGHER WATER RATES, and BUREAUCRATIC CONTROL and DELAY of water decisionmaking.

Certainly, refinements can be made to any law or policy. But each must be addressed on its own merits after considered, detailed study.

Lumping several radical proposals into one yes or no vote, however, is not a reasonable, rational, thoughtful way to cause change.

VOTE NO on PROPOSITION 13.

JOHN THURMAN
Member of the Assembly, 27th District
Chairman, Assembly Committee on Agriculture

SHIRLEY CHILTON
President. California Chamber of Commerce

HENRY VOSS
President, California Farm Bureau Federation

 Arguments printed on this page are the opinions of the authors and have not been checked for accuracy by any official agency

Argument Against Proposition 13

Proposition 13 is the most ILL-CONCEIVED, COMPLEX, WASTEFUL, and ECONOMICALLY DEVASTATING measure ever proposed to California voters.

We know that's a pretty strong statement. But it's true.

It is a *radical revision* of our water laws. It places unprecedented control of *your* rights to use water in the hands of *appointed bureaucrats.* It is so COMPLEX that it virtually assures us taxpayers of lengthy and costly court battles. It RESTRICTS the full utilization of a 360-million-dollar dam that is already completed—ready to provide needed water and energy to Californians. And the HIDDEN COSTS to taxpayers and consumers are *enormous* because WATER RATES AND FOOD COSTS WILL SKYROCKET.

Farmers, businesspeople, taxpayer and consumer groups all agree, Proposition 13 is too COMPLEX, too WASTEFUL and establishes too much BUREAUCRATIC CONTROL over our water future.

Please consider these FACTS before you vote.

VERY SIMPLY, Proposition 13:

- WILL increase water rates *substantially.*
- WILL threaten the availability of water supplies to residential, industrial, and agricultural water users.
- WILL restrict the full use of the New Melones Dam.
- WILL dramatically worsen unemployment throughout *all segments* of California's economy.
- WILL give unprecedented authority and control to unelected bureaucrats to determine water policy.
- WILL restrict the ability of responsible *local agencies* to meet the water needs of the people they serve.
- WILL establish a water policy that puts a priority on fish and wildlife *ahead* of people and food.
- WILL encourage *costly* and *lengthy* court battles over water supplies.
- WILL *threaten* "lifeline" water rates for poor and elderly Californians.

At a time when all Californians are facing critical water problems, we need to recognize the need for more water development. But, if Proposition 13 passes, California's available water resources will be *more scarce than ever before.* In FACT, this initiative *demands* that the delivery of water be limited and curtailed until certain RESTRICTIVE, BUREAUCRATIC, and UNREALISTIC guidelines are met. AND THE WATER WE ARE *ALLOWED* TO GET will be *substantially more expensive.*

IMAGINE how food prices will skyrocket if water prices to farmers are increased 3 to 5 times! Economists and consumer experts agree that this is a certain result if Proposition 13 passes.

DOES IT MAKE SENSE TO YOU that supporters of this measure are asking us to greatly restrict the full power-generating potential of a *fully completed,* $360 million dam when the need for more inexpensive sources of energy is so acute?

In summary, this radical water reform proposal would have a disastrous impact on all Californians. HIGHER WATER BILLS. MORE BUREAUCRACY. HIGHER FOOD PRICES. LESS WATER. LESS ENERGY. LESS ECONOMIC PROSPERITY. These are the *certain* results if Proposition 13 were to pass.

State water policy is at a critical crossroads since the defeat of Proposition 9 in the June primary. For our future we need to continue on a steady course of more careful study and expert evaluation.

That's why we must reject this radical and naive measure.

We *strongly urge* you to VOTE NO on PROPOSITION 13.

JOHN THURMAN
Member of the Assembly, 27th District
Chairman, Assembly Committee on Agriculture

SHIRLEY CHILTON
President, California Chamber of Commerce

HENRY VOSS
President, California Farm Bureau Federation

Rebuttal to Argument Against Proposition 13

YOU ARE PAYING MORE PROPERTY TAXES so that big water users can continue to get more than $60 million in water price subsidies every year. YOU ARE PAYING MORE FOR WATER IN YOUR HOME because lobbyists for the *Farm Bureau* and the *Chamber of Commerce* helped kill 24 proposed new laws that would have slashed water price subsidies and ended wasteful water practices.

YOU ARE PAYING MORE FOR FOOD because the cost to farmers for pumping underground water to irrigate their crops has been driven up more than 700 percent by reckless overpumping. In addition, poor water management has wiped out entire streams, damaged water quality in other streams, and reduced the number of salmon and other fish available for market by more than 60 percent.

YOU CANNOT AFFORD TO DO NOTHING!

PROPOSITION 13 WILL BEGIN TO PHASE OUT THE USE OF PROPERTY TAXES FOR WATER PRICE SUBSIDIES.

PROPOSITION 13 WILL FIGHT FOOD PRICE INCREASES by giving farmers the economic tools they need to pump and use their water more efficiently.

PROPOSITION 13 WILL PROTECT OUR REMAINING STREAMS AND RIVERS so that our commercial and sports-fishing industries can be restored to good health.

PROPOSITION 13 WILL CREATE AND PROTECT JOBS by insuring that there is enough water to support our housing, construction, food processing, recreation, and tourist industries. It will encourage the construction of local water conservation and reclamation projects.

YOU CANNOT AFFORD TO WAIT UNTIL THE NEXT WATER CRISIS!

VOTE YES on PROPOSITION 13.

SCOTT E. FRANKLIN
Chairman, California Water Commission

JEANNE G. HARVEY
State Water Director,
League of Women Voters of California

A. ALAN POST
Former Legislative Analyst, State of California

14 Reapportionment by Districting Commission or Supreme Court: Initiative Constitutional Amendment

Official Title and Summary Prepared by the Attorney General

REAPPORTIONMENT BY DISTRICTING COMMISSION OR SUPREME COURT. INITIATIVE CONSTITUTIONAL AMENDMENT. Repeals Legislature's power over reapportionment. Establishes Districting Commission. Commission given exclusive authority to specify State Senate, Assembly, Equalization Board, and congressional district boundaries. Specifies criteria for establishing districts. Provides method of choosing commissioners having designated qualifications selected by appellate court justice panel and political party representatives. Requires districting plans be adopted for 1984 elections and following each decennial census thereafter. Specifies commission's duties and responsibilities. Provides for open meetings, procedures, public hearings, and judicial review. Retains referendum power. Requires Supreme Court action if districting plans not adopted within specified times. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: On assumptions stated in the Analyst's estimate, increased state costs of $126,000 for salaries of commission in 1983 and a comparable amount (in today's dollars) once every 10 years beginning in 1991.

Analysis by the Legislative Analyst

Background:

The State Constitution requires the Legislature to adjust the boundary lines of Assembly, State Senate, congressional, and Board of Equalization districts every 10 years, following publication of the federal census. This process is known as "reapportionment" or "redistricting." The primary purpose of reapportionment is to establish districts which are reasonably equal in population. Federal law and the State Constitution prescribe other objectives and standards which the Legislature must adhere to and consider in establishing the districts.

Following publication of the 1980 federal census, the California Legislature revised the boundaries of the Assembly, State Senate, and congressional districts. (The Board of Equalization districts were not revised.) At the June 8, 1982, primary election, three referendum measures appeared on the ballot, giving voters the opportunity to approve or reject these newly revised district plans. All three of the plans were rejected. Consequently, the Legislature must again revise the boundaries of the Assembly, State Senate, and congressional districts in time for the 1984 statewide elections. The Legislature would not otherwise reapportion districts again until 1991.

Proposal:

This measure amends the State Constitution to transfer from the Legislature to a newly established commission the responsibility for reapportioning Assembly, State Senate, congressional, and Board of Equalization districts. The commission, entitled the "Districting Commission," would be required to adopt, by October 1, 1983, districting plans for the 1984 through 1990 elections based on the 1980 decennial census. Thereafter, the commission, rather than the Legislature, would meet once each decade, beginning in 1991, to develop new reapportionment plans based on the latest census data.

The districting commission would consist of at least 10 appointed members. A panel of justices from the California courts of appeal would select four members, including the chairperson of the commission. The largest two political parties in California would each appoint three members, two of whom could be Members of the Legislature. In addition, any other political parties having 10 percent or more representation in the State Legislature (there are none at present) would be authorized to appoint a single member.

If this measure is approved by the voters, members of the first districting commission will be appointed in December of 1982. Thereafter, commission members generally would be appointed during December of the year in which the decennial census occurs. The commission would remain in existence "until there are final [redistricting] plans."

Each commission member who is not an elected state official would receive compensation for each month during which the commission is active. The amount of compensation per month would be equal to the monthly salary of a state legislator. The commission as a whole, as well as individual commission members, would be authorized to employ staff as needed.

The commission would have to adopt final redistricting plans by October 1 of the year following the year in which the members were appointed, or 180 days after the commission has received the necessary census data, whichever date is later. Plans would have to be adopted by a two-thirds vote of the commission membership, including at least three votes from members appointed by the panel of justices and at least one vote from one of the members appointed by each of the largest two political parties.

The plans would have to conform to certain objectives and standards, some of which are as follows:

1. Each districting plan shall provide fair representa tion for all citizens, including racial, ethnic, and language minorities, and political parties.

2. Each Board of Equalization district shall be composed of 10 Senate districts, and each Senate district shall be composed of two Assembly districts.

3. The population of state legislative districts shall be within 1 percent of the average district population, but can vary by up to 2 percent to accomplish the objectives and standards specified in this measure. Congressional districts shall be as nearly equal in population as practicable.

4. Each district shall have only one representative.

5. There shall be no lapse of representation for a district because of district numbering.

6. To the extent practicable, districts:
- Shall be geographically compact,
- Shall not cross any common county boundary more than once,
- Shall be comprised of whole census tracts, and
- Shall minimize the division of cities, counties, and geographical regions.

If the commission is unable to adopt a redistricting plan or plans within the designated time frame, or if any plan is found unconstitutional or rejected by the voters through the referendum process, the measure would require the Supreme Court to adopt a plan or plans in accordance with the objectives and standards set forth in this measure.

Fiscal Effect:

Approval of this measure would transfer the responsibility for reapportionment from the State Legislature to a new reapportionment commission. In carrying out its responsibilities, the commission would incur unknown, but probably significant, costs to compensate commission members, employ staff, develop the data needed to prepare districting plans, and otherwise support the work of the commission. The Legislature, however, would incur significant savings because it would no longer be required to adopt reapportionment plans.

We have no basis for concluding that the staff and support costs incurred by the commission in adopting reapportionment plans would be significantly higher or lower than the costs that otherwise would be incurred by the Legislature for redistricting purposes. Thus, only the salaries of the nonlegislative members of the commission would be in addition to the costs normally incurred for redistricting purposes. Therefore, assuming that all relevant reapportionment data acquired by the Legislature for the most recent reapportionment would be made available to the districting commission, we conclude that approval of this measure could increase state costs by at least $126,000 in 1983 and by a comparable amount (in today's dollars) once every 10 years beginning in 1991.

This measure would not affect local costs.

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure amends the Constitution by amending, adding, and repealing sections thereof; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be inserted or added are printed in *italic type* to indicate that they are new.

PROPOSED ADDITION OF ARTICLE IV A, REPEAL OF ARTICLE XXI, AMENDMENT OF ARTICLE IV, SECTIONS 1 AND 6, AND AMENDMENT OF ARTICLE VI, SECTION 17

First—That Article IV A is added to read:

ARTICLE IV A

DISTRICTING OF STATE SENATE, ASSEMBLY AND BOARD OF EQUALIZATION AND UNITED STATES HOUSE OF REPRESENTATIVES

SEC. 1. Except as provided in this article, the sole and exclusive authority to specify the boundaries of districts for the State Senate, Assembly, Board of Equalization and the United States House of Representatives for California is vested in the Districting Commission established by this article.

SEC. 2. The Districting Commission shall adopt two districting plans, one for the State Senate, Assembly and Board of Equalization, and one for the United States House of Representatives.

SEC. 3.

(a) Each districting plan shall provide fair and effective representation for all citizens of the State, including racial, ethnic and language minorities, and for political parties. The Commission shall endeavor to maintain identifiable communities of interest, promote competition for elective office, and facilitate individual and group political activity.

(b) Each State Senate district shall be composed of two Assembly districts and each Board of Equalization district shall be composed of ten Senate districts.

(c) Districts shall be single member.

(d) Districts shall be composed of convenient contiguous territory with reasonable access between population centers in the district.

(e) State legislative districts shall not vary in population more than one percent from the average district population based on the decennial census, except that they may vary up to two percent if necessary to accomplish the objectives and standards of this section.

(f) Congressional districts shall have populations which are as nearly equal as practicable.

(g) State Senate districts with the greatest percentage of population from currently even-numbered districts shall be given even numbers and those districts with the greatest percentage from currently odd-numbered districts shall be given odd numbers, except to ensure an equal number of even- and odd-numbered districts. There shall not be a lapse of representation for a district because of district numbering.

(h) To the extent consistent with the objectives and standards set forth in paragraphs (a) through (g) of this section, and insofar as practical, in the Commission's judgment, districts shall:

(1) Be geographically compact; populous contiguous territory shall not be bypassed to reach distant populous areas.

(2) Minimize the division of counties and cities;

(3) Not cross any common county boundary more than once;

(4) Not be created so that a county contains a majority of the population of more districts plus one than the number of whole districts to which it would be entitled;

(5) Minimize the division of geographic regions in California; and

(6) Be comprised of whole census tracts.

SEC. 4. Members of the Districting Commission shall be chosen for the term of the Commission in the year of the decennial census.

(a) A chairperson and three other members shall be appointed by December 31 by a panel of seven justices of the California Court of Appeal, by a two-thirds vote.

(1) The panel shall be selected in order of seniority, beginning with presiding justices by date of appointment to that office, and then associate justices by date of appointment. No more than four shall have been registered as affiliated with the same political party at the time of appointment to the Court of Appeal.

(2) The panel shall appoint, to the extent practical, knowledgeable, politically independent women and men who will give the Commission geographic, social and ethnic diversity. If the justices appoint a person registered to vote within the last three years as affiliated with a political party referred to in paragraphs (b) or (c) of this section, they shall appoint an equal number of persons registered as affiliated with the other of those parties. Appointees shall not hold or have held partisan public or party office within the previous five years.

(b) Three members shall be appointed between December 10 and December 20 by representatives of the political party with which the largest number of persons registered to vote were affiliated at the time of the last statewide election, as follows:

(1) One member by the members of the State Assembly, and one member

Continued on page 66

14 Reapportionment by Districting Commission or Supreme Court: Initiative Constitutional Amendment

Argument in Favor of Proposition 14

IT'S TIME FOR A CHANGE; LET'S REFORM REAPPORTIONMENT

Democracy has no firmer foundation than free and fair elections. Actions that compromise the fairness of elections threaten the very heart of democracy. Nothing does more damage to fair elections than allowing legislators to draw their own district lines.

Reapportionment occurs every ten years when the Legislature establishes new legislative and congressional districts for California. How lines are drawn influences the outcome of elections in this state for the next ten years. In recent decades Californians were treated to the spectacle of incumbents striving to increase their own political power by drawing new district lines that would serve only their own narrow personal or partisan interests.

THE PEOPLE WANT REFORM

This year the people of California were so disturbed by the incumbents' abuse of the reapportionment power that three million of them voted to reject the Legislature's handiwork—a vote of two to one against the Legislature's reapportionment plans.

This proposition is your chance to take reapportionment permanently out of the hands of the Legislature and to stop the incumbents from tampering with fair elections.

Proposition 14 offers permanent reapportionment reform for the people of California. It takes the power to redraw the district lines away from the Legislature and gives it to an independent districting commission which is directed to "provide fair and effective representation for all citizens of the state, including racial, ethnic and language minorities, and for political parties."

THIS COMMISSION ASSURES FAIR REPRESENTATION

- The commission consists of ten members, three selected by the Democrats, three by the Republicans, and four by the senior presiding justices of the California Court of Appeals.
- It must draw new districts based only on population—not political—considerations. No more bizarre, gerrymandered districts.
- Representatives of both parties and a majority of the nonpartisan commissioners must agree on the final district lines. No more secret deals favoring one party or another.
- The commission must hold public hearings on reapportionment plans, produce maps of the new districts, and allow the people to participate in the approval of district lines. This is a real improvement over the way the Legislature has reapportioned the state.
- Finally, the commission will reduce the cost of drawing the new district lines. The Legislature spends millions of our dollars pursuing its personal and partisan needs. The commission will do its work and then go out of business until the next reapportionment.

A FAIR REAPPORTIONMENT SYSTEM WILL SERVE YOU BEST

The only fair way to redraw voting districts is to take the job away from those who stand to benefit. There is no worse conflict of interest than the incumbents drawing their own election districts.

VOTE YES ON REAPPORTIONMENT REFORM
VOTE YES ON PROPOSITION 14

GERALD FORD
Former President of the United States

DONALD WRIGHT
Former Chief Justice, California Supreme Court

SUSAN ROUDER
Chair, California Common Cause

Rebuttal to Argument in Favor of Proposition 14

Proposition 14 is an ill-conceived scheme that attacks one of your most cherished democratic rights—the right to vote by referendum against any future gerrymanders.

The proponents of Proposition 14 call this reform. Whom are they kidding?

Proposition 14 creates a commission made up of a combination of ivory tower elitists and faceless political hacks. You won't elect them and you won't be able to get rid of them.

Furthermore, the commission will be composed in part of appointees of the Democratic and Republican Parties who will have veto power over any redistricting plan. It's an open invitation for extremists of the left and the right to muscle in and take over. You can imagine what kind of plan they would devise. And there is nothing you can do about it.

The lines this commission draws will wind up in court. Invariably that has happened wherever such commissions exist. The court's decision is not subject to a referendum. You can't vote on it.

If you don't like what your representatives do now, you have at least two remedies under the present Constitution: you can throw them out by electing someone else, or you can support a referendum to repeal any law they pass. Under this change you have no recourse.

Proposition 14 makes a mockery of the democratic process. Stop this rape of the Constitution. Protect your freedom. Vote no on Proposition 14.

JESSE M. UNRUH
State Treasurer
Former Speaker, State Assembly

DAVID ROBERTI
State Senator, 23rd District
President pro Tempore, State Senate

WILLIE LEWIS BROWN, JR.
Member of the Assembly, 17th District
Speaker of the State Assembly

Reapportionment by Districting Commission or Supreme Court: Initiative Constitutional Amendment

14

Argument Against Proposition 14

Californians don't want another $4 million bureaucracy. Especially one that won't work. But that is what Proposition 14 would force into our Constitution.

OUR FOUNDING FATHERS WOULD ROLL OVER IN THEIR GRAVES IF THEY KNEW ABOUT PROPOSITION 14.

The United States Constitution—and the California Constitution, which is modeled after it—clearly separates the power of government into three branches: the Executive, the Legislative, and the Judicial. The right to determine legislative districts has rested with the people of California and their elected representatives for over 100 years.

PROPOSITION 14 WOULD TAKE THAT RIGHT AWAY FROM THE PEOPLE AND GIVE IT TO A STATE BUREAUCRACY, THE LIFE AND COST OF WHICH IS INDETERMINATE.

Prop 14 would create a new state bureaucracy, a commission appointed by leaders of political parties and the state judiciary. The voters and their elected representatives would have little or no say in who gets appointed. This new elite bureaucracy would have the power to determine your legislative districts.

WHEN THE COMMISSION DOESN'T WORK, THE SUPREME COURT TAKES OVER LEGISLATIVE REDISTRICTING.

Because representatives of political parties on the commission can veto the commission plan, the Supreme Court is designated by Prop 14 to do redistricting. Inevitably, because of the veto power of either party, the California Supreme Court will end up having the final say in redistricting. In that case the voters will be left out in the cold.

IF THE VOTERS DON'T LIKE THE DECISION OF THE STATE SUPREME COURT . . . THEY CAN'T DO A DARN THING ABOUT IT BECAUSE PROPOSITION 14 TAKES AWAY THE VOTERS' RIGHT OF REFERENDUM.

If you don't like the district lines drawn by the Supreme Court, you no longer will have any way to reverse the decision. The most time-honored tradition of California's system of government is the people's right to place on the ballot issues which *they* feel are important. It is in this way that Proposition 13 (property tax relief), the death penalty, and park bonds have been voted on by you.

PROPOSITION 14 WOULD IMPOSE ON CALIFORNIA AN EXPERIMENT THAT HAS FAILED IN ALMOST EVERY STATE IN WHICH IT HAS BEEN TRIED.

Proposition 14 would simply add California to the national list of expensive failures. *The Los Angeles Times* noted this fact in opposing the proposition:

"Other states already have such commissions. Those commissions are turning out new district maps that look like something that Bill Russell made by bouncing basketballs in blobs of paint."

HELP SAVE THE CONSTITUTIONAL PROCESS OF REDISTRICTING AND SAVE 4 MILLION DOLLARS—VOTE NO ON PROPOSITION 14.

As the *Sacramento Bee* stated:

"The existing process is slow, often frustrating. But then that's often the way democratic institutions work. Their redeeming element is that they hold public servants accountable. [The] commission plan, well intentioned though it is, can't match that."

RETAIN YOUR CONSTITUTIONAL RIGHT AS A FREE CITIZEN TO SPEAK OUT. DON'T TRANSFER THAT RIGHT TO AN ELITE AND COSTLY BUREAUCRACY.

VOTE NO ON PROPOSITION 14.

JESSE UNRUH
State Treasurer
Former Speaker, State Assembly

DAVID A. ROBERTI
State Senator, 23rd District
President pro Tempore, State Senate

WILLIE LEWIS BROWN, Jr.
Member of the Assembly, 17th District
Speaker of the State Assembly

Rebuttal to Argument Against Proposition 14

Proposition 14 opponents want you to believe a series of misrepresentations. They also ignore the persistent failures and unfairness of redistricting by the Legislature.

FACT: The commission will not be another ongoing bureaucracy. It will draw districts in a short time, then go out of business.

FACT: The commission won't cost any more money. The official state-prepared proposition summary declares, "There will be no ongoing net increases to either the state or local governments."

FACT: Proposition 14 leaves power with the people. Any commission plan can be rejected by the voters in a referendum.

FACT: Proposition 14 does not give the Supreme Court new powers. The Supreme Court can already do reapportionment and did so in 1973. In 1982 legislative plans again ended up in the courts.

FACT: Many redistricting commissions in other states have worked. Proposition 14 is based upon careful analysis of commission successes and failures in other states.

FACT: The commission will be fair and open. It is required to hold public hearings and seek public input. Plans must be approved by two-thirds vote. The legislative plans are formed behind closed doors by incumbents seeking personal and partisan goals.

HAS THE LEGISLATURE PROVEN ITS ABILITY TO CONDUCT REAPPORTIONMENT IN THE BEST INTEREST OF THE PEOPLE? NO!

Vote YES for permanent reapportionment reform! Vote YES for fair elections!

VOTE YES ON PROPOSITION 14!

GERALD FORD
Former President of the United States

DONALD WRIGHT
Former Chief Justice, California Supreme Court

SUSAN ROUDER
Chair, California Common Cause

15 Guns: Initiative Statute

Official Title and Summary Prepared by the Attorney General

GUNS. INITIATIVE STATUTE. Adds and amends statutes concerning ownership, registration, and sale of guns. Requires that all concealable firearms (handguns) be registered by November 2, 1983. Makes registration information confidential. Specifies procedures concerning sale and transfer of handguns by dealers and private parties. Restricts Legislature from banning ownership of shotguns, long rifles, or registered handguns and from requiring registration of shotguns or long rifles. Limits number of handguns to number in circulation in California on April 30, 1983. Specifies violation penalties, including imprisonment for certain violations. Provides specified civil damage liability upon unlawful transfer of concealable firearms. Contains other provisions. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: Would have an indeterminable impact on state and local governments. Administrative costs: There would be major state and local administrative costs reimbursed in whole or in part by fees charged to affected handgun owners. Program costs: This measure would have an unknown impact on the costs of maintaining the criminal justice system. Revenues: This measure could impact sales and income tax revenues. Variables involved for each are discussed in more depth in Analyst's estimate.

Analysis by the Legislative Analyst

Background:

Under state law, every adult in California who is not a convicted felon, narcotics addict, or mental patient, as specified, has the right to purchase pistols, revolvers, and other firearms capable of being concealed upon the person (handguns) and to keep them in his or her home without a license or permit. Persons who sell, deliver, or transfer handguns generally must wait 15 days before delivering such weapons to purchasers. Licensed handgun dealers must submit information on each potential purchaser to the California Department of Justice and to the local police or sheriff's department for the purpose of identifying individuals who are prohibited by law from owning or possessing such weapons. Whenever the Department of Justice determines that a potential handgun purchaser may not lawfully own a handgun, it notifies the dealer within the 15-day waiting period that the handgun sale may not be completed.

Existing law also requires holders of various firearms, such as those used in the commission of a crime, to surrender these weapons to law enforcement officials. These weapons may then be returned to their lawful owner if stolen, sold at a public auction, retained for military or law enforcement purposes, or destroyed.

Finally, current law provides criminal penalties for various illegal activities involving the use of handguns.

Proposal:

This measure generally would require owners of handguns to register them with the Department of Justice on or before November 2, 1983. It would restrict the number of handguns in California by (1) allowing the Department of Justice to issue registration cards only for handguns registered by November 2, 1983 (with specified exceptions), (2) specifying that an individual may register only one handgun purchased between January 1, 1982, and April 30, 1983, (3) restricting the importation of handguns into the state, and (4) prohibiting the purchase of handguns by mail.

Each applicant for a handgun registration card would be required to pay a fee to cover various administrative costs incurred by the state in implementing this measure. In addition, the measure would authorize local law enforcement agencies to charge fees in order to offset administrative costs incurred as a result of activities such as processing handgun transfer applications and certificates of replacement.

The Department of Motor Vehicles would be required to revise its driver's license and identification card applications to include a statement indicating that the importation of unregistered handguns into California is prohibited.

The measure would also establish procedures that could be used to transfer handgun ownership. Such transfers could be arranged by private individuals or licensed dealers. In addition, the measure would establish procedures that could be used to replace registered handguns or register handguns inherited upon the death of the previous owner. The existing system, under which licensed handgun dealers register handgun sales with the Department of Justice, would be discontinued. In addition, law enforcement agencies would be prohibited from selling surrendered handguns at public auctions, and instead would be required to destroy any such handguns that could not be returned to their registered owners or retained and used for military or law enforcement purposes.

This measure also would establish new criminal penalties and new grounds for civil liability involving the transfer, possession, and use of handguns. Generally, if the measure is approved it would be a misdemeanor to:

- Possess an unregistered handgun after November 2, 1983;
- Buy, sell, or transfer unregistered handguns after April 30, 1983;
- Import handguns;
- Order handguns by mail; or
- Falsify a handgun registration application.

This measure also would make it a felony to possess more than five unregistered handguns with the intent to sell them, or to sell five or more handguns in violation of various registration provisions. The measure modifies or eliminates several existing criminal provisions regarding the acquisition and use of handguns. In addition, it generally would make a person who unlawfully transfers a handgun liable for damages of up to $25,000 for the death or injury of a person resulting from the use of that firearm.

Finally, the measure states that it would prohibit the Legislature from (1) passing any additional laws which would ban ownership or sale of shotguns or long rifles or require registration of such weapons and (2) passing laws prohibiting ownership of registered handguns, except with respect to persons with criminal convictions or histories of mental instability.

Fiscal Impact:

This initiative would have an indeterminable impact on state and local governments.

Administrative costs. The measure would result in major state and local administrative costs, which would be covered in whole or in part by fees charged to affected handgun owners. For example:

- The Department of Justice would incur additional costs for activities such as the identification of handgun registration applicants who are prohibited by law from owning handguns, preparation of forms, development of regulations, publicity about the new handgun laws, records maintenance, license revocation, and weapons destruction.
- Local law enforcement agencies would incur costs in processing handgun transfer applications and replacement certificates.
- The Department of Motor Vehicles could incur minor one-time costs to revise its driver's license and identification card applications to include a statement regarding the law which prohibits the importation of unregistered handguns into California.

The measure clearly contemplates that fees could be charged handgun owners to cover a large portion of these additional costs, thus reducing any net fiscal impact on the state or local governments. Whether all such costs could be covered from fees would depend on the way in which the fee provisions of the measure are interpreted.

Program costs. To the extent that this measure limits the availability of handguns and, over a period of time, reduces the number of such guns in California, it could result in a reduction in the number of crimes committed with handguns. It also could result in a reduction in the number of accidental handgun injuries and deaths. However, it is unknown to what extent both criminals and law-abiding citizens would utilize other weapons instead of handguns as a result of this measure. These factors would have an unknown impact on the costs to state and local governments for maintaining the criminal justice system, providing medical and social services, and compensating victims of violent crimes.

Because the measure creates new crimes and modifies existing criminal provisions, it could result in undetermined costs for state and local criminal justice activities. Some of these costs probably would be financed by redirecting resources from other ongoing criminal justice programs and would not result in a net increase in government costs. To the extent that additional persons would be incarcerated or receive longer jail or prison sentences as a result of this measure, state prison and/or county jail costs would increase.

Impact on revenues. By limiting the number of handguns in the state, this measure could reduce the volume of handgun and ammunition sales, which in turn could affect the sales and income tax revenues that sellers of these products pay to the state. However, this does not necessarily imply corresponding changes in *total* state tax revenues, because consumers may shift their spending from handguns and ammunition to other taxable and nontaxable commodities.

Local governments could experience an unknown, but probably minor, revenue loss from the prohibition against the sale by local law enforcement agencies of surrendered or recovered stolen weapons at public auctions.

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure amends, deletes and adds sections to the Penal Code; therefore, existing sections proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be inserted or added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1: Preamble.

(1) The people of the state of California recognize that criminals who use concealable handguns to commit crimes pose a serious threat to public safety. While concealable handguns constitute only 20% of the number of firearms, they account for some 90% of all incidents of firearms violence.

(2) The people of the state of California recognize that the number of concealable handguns available to criminal elements is increasing rapidly, that criminals are easily able to evade present laws which regulate the sale of handguns, and that these present laws only serve to punish those who commit gun crimes, not prevent them. The people of the State of California see a direct correlation between the number of concealable handguns in circulation and the number of violent deaths and injuries inflicted on innocent persons.

(3) The people of the state of California recognize that their primary protection against the commission of crime rests in effective police, prosecutors and judges. Nonetheless, the people of the state of California also recognize that an informed and active citizenry has an important role in crime prevention and protection. In restricting the use of concealable handguns by criminals, the people of the state of California do not intend to disarm law-abiding citizens nor to restrict their legitimate use of firearms when used in self-defense to protect their homes, businesses and families. Neither do the people intend to eliminate the right of law-abiding citizens to buy, sell or own firearms.

(4) Currently, there is an ample supply of firearms in circulation in California—nearly one for every man, woman and child—to meet the recognized needs of self-protection. Nonetheless, at the present rate of growth, the number of concealable handguns in California could double in less then eight years. The people of the state of California are particularly concerned that this alarming proliferation will only benefit criminal elements to whom cheap, easily concealable and readily available handguns are particularly appealing.

(5) The people of the state of California understand the fears of many voters that gun control laws, while beginning with registration, some day will end with confiscation. By enacting this initiative, the people of the state of California can for the first time guarantee that this fear cannot come true. The people of the state of California here forbid their elected representatives in the Legislature from ever passing any laws to take registered handguns away from law-abiding citizens. The people do not intend that this initiative will be a first step toward any confiscatory gun control legislation.

Continued on page 67

15 Guns: Initiative Statute

Argument in Favor of Proposition 15

We have spent our lives in law enforcement and we support this commonsense handgun proposal. We need it to help fight street crime.

It safeguards home guns (used for protection) and goes after street guns (used for crime).

Under the initiative:

1. All handguns in California must be registered.
2. Any punk caught with an unregistered handgun on the street will get a mandatory six months in prison. Period. Any criminal engaging in black market profiteering of handguns will get a mandatory year in prison. Period.
3. All future sales and transfers of handguns will be from the pool of millions of handguns registered during the year after the initiative passes.

The initiative protects home guns and attacks street guns. It protects law-abiding citizens and attacks criminals. The existing laws make it too easy for those with criminal intent to get handguns and terrorize citizens at will. This initiative will *make it tough on the criminals.*

At a time when some propose arming every citizen and others propose disarming every citizen, this initiative is a moderate commonsense step:

- It is *not a ban;* instead, it protects the law-abiding citizen's right to a registered handgun.
- It calls for *registration of handguns only, not rifles or shotguns.*
- Its mandatory sentencing and registration features have been tried in Massachusetts and they worked. Gun murders in Boston dropped over 50 percent and gun assaults and robberies dropped 40 percent.
- Tough handgun controls in Great Britain, Japan, Canada, Sweden, Switzerland, and West Germany limited handgun homicides in 1979 to a total of 263 in all six countries combined (as compared with 10,278 in the United States).

In California alone, 2,000 people were killed with handguns last year. Enough is enough.

Today there are four to six million handguns in California. Enough is enough.

The experts say that without this initiative there will be ten million handguns in California in ten years. Enough is enough.

California has had its fill of street crime and street gangs and street guns. Enough is enough.

A few years ago Californians decided that they had had enough overtaxation and were tired of waiting on the politicians to do something. They said enough is enough and passed Proposition 13. It wasn't perfect. But it helped.

Our Legislature has failed to pass any meaningful law to curb handgun violence. We in law enforcement are tired of waiting. Now we're asking Californians to decide that they have had enough of street guns and are tired of waiting on the Legislature to do something.

Please vote for the initiative. It's not the only solution. No law is. But it's an important step in the right direction. It will help, and we ask you to support it. Enough is enough.

PETER J. PITCHESS
Sheriff Emeritus, County of Los Angeles

JOHN J. NORTON
Chief of Police, Foster City
President of the California Police Chiefs Association

CORNELIUS P. MURPHY
Chief of Police, City of San Francisco

Rebuttal to Argument in Favor of Proposition 15

The backers of the gun initiative want people to believe that it will help solve the very serious problem of crime. It won't!

Let's look at what they say..

The initiative c lls for registration of handguns. But we already have registration. Sections 12073 and 12076 of the California Penal Code specify the form for registration of every new handgun sold, and copies are sent to the local chief of police and to the Department of Justice in Sacramento.

Section 12021 of the Penal Code makes it illegal for a convicted felon to possess a handgun. Section 12025 of the Penal Code makes it illegal for anyone to carry a concealed handgun without a permit.

Their freeze on future sales is badly misguided. This initiative creates an elite class of Californians who will possess a special property right to own a handgun that is denied to the majority of law-abiding citizens.

History tells us that criminals are going to ignore this initiative.

We need to enforce real criminal laws. We need to change the criminal justice system that turns criminals loose to prey on innocent citizens again and again.

We simply cannot waste the taxpayer's money on laws that regulate the law-abiding citizen instead of the criminal. This initiative will cost millions and millions of dollars and it won't stop crime.

The gun initiative costs too much, diverts valuable police resources, and violates individual rights—all for something that won't work.

CAROL RUTH SILVER
Supervisor, City and County of San Francisco

RICHARD K. RAINEY
Sheriff, Contra Costa County

ROBERT L. FUSCO
President, California Wildlife Federation

Argument Against Proposition 15

The Gun Initiative is deceptive and totally misdirected, promising to somehow reduce street crime by restricting the rights of peaceable, law-abiding citizens.

This initiative won't stop criminals from getting guns or using guns in violent crime. This initiative will deprive the honest citizen of a most basic right—that of self-protection (and polls show that 1.3 million Californians have used guns to defend themselves, their families, and their property).

The Gun Initiative actually diverts attention away from the serious problem of crime by forcing California's state and local law enforcement agencies to waste valuable resources, manpower, and money in pursuing activities that are not related to crime.

The Gun Initiative:

- is deceptive, ill conceived, and poorly written. The California Department of Justice wrote that "corrective legislation must be developed and introduced to resolve inconsistencies in the provisions of the initiative and existing laws."
- sets up another costly bureaucracy. The California Department of Justice wrote that "in excess of 800 employees must be hired." The department also wrote that "there are significant state and local costs which are not reimbursed."
- diverts precious financial resources and manpower *away* from fighting crime. The California Department of Justice wrote that "This will have an adverse impact on the department's ability to process higher priority workload, such as criminal fingerprints, in a timely manner." The Justice Department also wrote that "file maintenance costs . . . will increase the General Fund cost and the time necessary for processing other workload, including that related to criminal programs."

This initiative could cost Californians as much as $250,000,000.

All for something that won't work, because everyone knows that criminals are going to ignore this initiative.

This initiative is falsely directed toward the lawful use of guns by law-abiding citizens, not the criminal *misuse* of guns.

A recent study commissioned by the United States Department of Justice found that "There is little or no conclusive, or even suggestive, evidence to show that gun ownership among the population as a whole is, *per se,* an important cause of criminal violence."

There are other factors of this initiative apart from its waste of money and manpower that must be considered.

The Gun Initiative:

- will create an "elite" class of citizen in California, providing a minority with a special property right to own pistols while the majority are deprived of that right.
- will create an instant black market and open up a whole new field of economic activity for organized crime.

In reality, this initiative imposes a cruel hoax on the citizens of California by pretending that something of "substance" is being done about the problem of crime.

The proponents of this initiative say they want to stop crime.

So do we, but we're more serious about it.

We want to see an end to the revolving-door system of justice that allows criminals to return to the street again and again to prey on honest citizens.

We want to stop the criminal, not deprive law-abiding citizens of their rights.

CAROL RUTH SILVER
Supervisor, City and County of San Francisco

RICHARD K. RAINEY
Sheriff, Contra Costa County

ROBERT L. FUSCO
President, California Wildlife Federation

Rebuttal to Argument Against Proposition 15

The opponents say they are "more serious" than we are in wanting to stop crime. That would surprise us. Each of us has spent his entire life in law enforcement.

The opponents say court leniency causes crime. We agree. That's exactly why Prop 15 requires a *mandatory prison sentence for any hoodlum on the street with an unregistered handgun.*

The opponents say that only law-abiding citizens will register their handguns and that criminals will ignore this initiative. That's exactly the point. Law-abiding citizens will register their handguns, while law-breaking, gun-toting street hoodlums will go to prison precisely because they ignore the registration law.

The opponents say the administrative costs will be great, but even their own study admits that the administrative costs are one time only. That cost will be covered by a once-in-a-lifetime registration fee of less than $10 paid by handgun owners. *Is a one-time registration fee of less than $10 too high a price to pay compared to the cost of street guns and street crime in our society?* Is it too high a price when you consider all the rapes and robberies at gunpoint and the shootings in the street? Is it too high a price to help us get criminals off the street?

Nobody claims Prop 15 will end street crime, but it will help. The opponents seem fearful of trying. *Prop 15 is a reasonable step in the right direction*—and we need it. Because enough is enough.

PETER J. PITCHESS
Sheriff Emeritus, County of Los Angeles

JOSEPH D. McNAMARA
Chief of Police, City of San Jose

WILLIAM B. KOLENDER
Chief of Police, City of San Diego

Proposition 2 Text: *Continued from page 7*

of that law are included in this title as though set out in full in this chapter except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 20 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of such series.

4411. As used in this title, and for the purpose of this title, the following words shall have the following meanings:

(a) "Committee" means the County Jail Capital Expenditure Finance Committee created by Section 4413.

(b) "Fund" means the County Jail Expenditure Fund.

4412. There is in the State Treasury the County Jail Capital Expenditure Fund, which fund is hereby created.

4413. For the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this title, the County Jail Capital Expenditure Finance Committee is hereby created. The committee consists of the Governor or his designated representative, the Controller, the Treasurer, and the Director of Finance. The County Jail Capital Expenditure Committee shall be the "committee" as that term is used in the State General Obligation Bond Law, and the Treasurer shall serve as chairman of the committee. The Board of Corrections is hereby designated as "the board" for purposes of this title and for the purposes of the State General Obligation Bond Law.

4414. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of two hundred eighty million dollars ($280,000,000), in the manner provided in this title. Such debt or debts, liability or liabilities, shall be created for the purpose of providing the funds to be used for the object and work specified in Section 4415 and for administrative costs incurred in connection therewith.

4415. Moneys in the fund shall be available for expenditure in accordance with this title by the Board of Corrections. Prior to the disbursement of any money in the fund the board, the Subcommittee on Corrections of the Senate Judiciary Committee and the Subcommittee on County Jails of the Assembly Criminal Justice Committee shall reexamine the factors specified in subdivisions (a) and (b) to determine whether they are still suitable and applicable to the distribution of the proceeds of the bonds authorized by this title. Moneys in the fund shall be available for expenditure for the following purposes:

(a) For the construction, reconstruction, remodeling, and replacement of county jail facilities, and the performance of deferred maintenance activities on such facilities pursuant to rules and regulations adopted by the Board of Corrections, in accordance with the provisions of Section 6029.1. No expenditure shall be made unless county matching funds of 25 percent are provided.

(b) In performing the duties set forth in subdivision (a), the Board of Corrections shall consider all of the following:

(1) The extent to which the county requesting aid has exhausted all other available means of raising the requested funds for the capital improvements and the extent to which the funds from the County Jail Capital Expenditure Fund will be utilized to attract other sources of capital financing for county jail facilities.

(2) The extent to which the capital improvements are necessary to the life or safety of the persons confined or employed in the facility or the health and sanitary conditions of the facility.

(3) The extent to which the county has utilized reasonable alternatives to pre-conviction and post-conviction incarceration, including, but not limited to, programs to facilitate release upon one's own recognizance where appropriate to individual's pending trial, sentencing alternatives to custody, and civil commitment or diversion programs consistent with public safety for those with drug or alcohol-related problems or mental or developmental disabilities.

4416. (a) When sold, the bonds authorized by this title shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the interest and principal on the bonds maturing each year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which shall be necessary to collect that additional sum.

(c) All money deposited in the fund which has been derived from premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

4417. All money deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the proceeds of the bonds authorized by this title shall be available for transfer to the General Fund. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which has been paid from the General Fund.

4418. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this title, such an amount as will equal the following:

(a) That sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this title, as principal and interest become due and payable.

(b) That sum as is necessary to carry out the provisions of Section 4419, which sum is appropriated without regard to fiscal years.

4419. For the purpose of carrying out the provisions of this title, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this title. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the board in accordance with this title. Any money made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this title. Such withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would have otherwise been earned by such sums in the Pooled Money Investment Fund.

4420. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

4421. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 4415 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

4422. All proposed appropriations for the projects specified in this title, shall be included in a section in the Budget Bill for the 1982–83 and each succeeding fiscal year, for consideration by the Legislature. All appropriations shall be subject to all limitations enacted in the Budget Act and to all fiscal procedures prescribed by law with respect to the expenditures of state funds, unless expressly exempted from such laws by a statute enacted by the Legislature. No funds derived from the bonds authorized by this title may be expended pursuant to an appropriation not contained in such section of the Budget Act.

Proposition 4 Text: *Continued from page 15*

purpose of providing the funds to be used for the object and work specified in Section 66957 and for administrative costs incurred in connection therewith, as provided in Section 66906.7.

66957. Moneys in the fund shall be available for expenditure in accordance with this title by a new or existing federal, state, regional, or local agency, or any combination thereof, to be designated by statute in accordance with the recommendations of the Tahoe Area Land Acquisition Commission. If no such agency is designated by July 1, 1984, moneys in the funds shall be available for expenditure in accordance with this title by the California Tahoe Conservancy Agency. Moneys in the fund shall be available for expenditure for the following purposes:

(a) For the acquisition of undeveloped lands threatened with development that will adversely affect the region's natural environment; will adversely affect the use, management, or protection of public lands in the vicinity of the development; or will have a combination of those effects. In particular, preference shall be given to the acquisition of undeveloped lands within stream environment zones and other undeveloped lands that, if developed, would be likely to erode or contribute to the further eutrophication or degradation of the waters of the region due to that or other causes. "Stream environment zone" means that area which surrounds a stream, including major streams, minor streams, and drainage ways; which owes its biological and physical characteristics to the presence of water; which may be inundated by a stream; or in which actions of man or nature may directly or indirectly affect the stream. A stream includes small lakes, ponds, and marshy areas through which the stream flows. Acquisitions made pursuant to this subdivision are not intended to replace, wholly or partially, the exercise of any authority conferred by law for the protection of the region's natural environment, including stream environment zones, or the protection of public lands and resources. Accordingly, every public official or agency responsible for the administration or enforcement of any law having any of those purposes shall continue to administer or enforce that law with respect to lands acquired pursuant to this title, notwithstanding the making of any acquisition pursuant to this subdivision.

(b) For the acquisition of undeveloped lands whose primary use will be public lakeshore access, preservation of riparian or littoral wildlife habitat, or recreation, or a combination thereof.

(c) For the acquisition of undeveloped lands that do not satisfy the requirements of either subdivision (a) or (b) but which, if acquired, would facilitate one or both of the following:

(1) Consolidation of lands for their more effective management as a unit.

(2) Provision of public access to other public lands.

As used in this section, "undeveloped land" includes land that has been subdivided and improved with streets and utilities, but does not have structures other than those related to such streets and utilities.

Moneys in the fund shall not be used to acquire land which has been designated and authorized for purchase by the United States Forest Service.

66958. (a) When sold, the bonds authorized by this title shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the interest and principal on the bonds maturing each year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which shall be necessary to collect that additional sum.

(c) All money deposited in the fund which has been derived from premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

66959. If the value of any land to be purchased by the agency has been substantially reduced by any statute, ordinance, rule, regulation, or other order adopted after January 1, 1980, by state or local government for the purpose of protecting water quality or other resources in the region, the agency may purchase the land for a price it determines would assure fairness to the landowner. In determining the price to be paid for the land, the agency may consider the price which the owner originally paid for the land, any special assessments paid by the landowner, and any other factors the agency determines should be considered to ensure that the landowner receives a fair and reasonable price for the land.

66960. All money deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the proceeds of the bonds authorized by this title shall be available for transfer to the General Fund. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which has been paid from the General Fund.

66961. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this title, such an amount as will equal the following:

(a) That sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this title, as principal and interest become due and payable.

(b) That sum as is necessary to carry out the provisions of Section 66961, which sum is appropriated without regard to fiscal years.

66962. For the purpose of carrying out the provisions of this title, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this title. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the committee in accordance with this title. Any moneys made available to the committee pursuant to this section shall be returned by the committee to the General Fund, together with interest at the rate then payable on funds deposited in the Pooled Money Investment Fund, from moneys received from the sale of bonds pursuant to the provisions of this title.

66963. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

66964. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 66957 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

66965. All proposed appropriations for the programs specified in this title shall be included in a section in the Budget Bill for the 1983-84 and each succeeding fiscal year, for consideration by the Legislature. All appropriations shall be subject to all limitations enacted in the Budget Act and to all fiscal procedures prescribed by law with respect to the expenditures of state funds, unless expressly exempted from such laws by a statute enacted by the Legislature. No funds derived from the bonds authorized by this title may be expended pursuant to an appropriation not contained in such section of the Budget Act.

66966. The agency designated by the Tahoe Area Land Acquisition Commission, or if none is so designated, the California Tahoe Conservancy Agency, shall be deemed the "board" for purposes of Section 10722.

SEC. 2. Section 1 of this act shall become operative January 1, 1983, if the people at the General Election of 1982, or any special statewide election conducted prior to that election, adopt the Lake Tahoe Acquisitions Bond Act as set forth in Section 1 of this act.

Proposition 11 Text: *Continued from page 43*

beverage containers as provided in this division; and no city or county, or other public agency, may adopt or enforce any ordinance, resolution, regulation, or rule relating to the refund value of beverage containers unless expressly authorized by this division.

CHAPTER 2. REFUND VALUE

14510. (a) Except as provided in subdivision (b), every beverage container sold or offered for sale, on and after March 1, 1984, in this state shall have a refund value established by the distributor of not less than five cents ($0.05).

(b) The provisions of this section providing for a refund value shall not apply to any container which is sold and delivered to a railroad, sleeping car, or steamship company, or common carrier operating vessels, as defined in Section 238 of the Public Utilities Code, under a certificate of public convenience and necessity, or an air common carrier, for use and consumption on trains, vessels, or airplanes.

14511. On and after March 1, 1984, every beverage container sold or offered for sale in this state shall clearly indicate the refund value of the container established pursuant to Section 14510 by embossing or by a clear and prominent stamp, label, or other device securely affixed to the beverage container.

14512. Except as provided in Section 14513:

(a) A dealer shall not refuse to accept at the place of business of the dealer from any consumer an empty beverage container which is of the same kind, size, and brand sold by the dealer. The dealer shall not refuse to pay to such consumer the refund value which is embossed on, or on the device affixed to, such beverage container pursuant to Section 14511.

(b) A distributor shall not refuse to accept from any dealer any empty beverage container which is of the same kind, size, and brand sold by the distributor. The distributor shall not refuse to pay to such dealer a sum equal to the refund value which is embossed on, or on the device affixed to, such beverage container pursuant to Section 14511, plus a handling fee equal to 20 percent of such refund value.

(c) Any person may establish a redemption center, subject to appropriate state laws and local ordinances, at which location must be clearly posted the kinds, sizes, and brands of containers accepted for refund.

(d) A distributor shall not refuse to accept from any redemption center, other than a dealer, at the location of such center, a quantity in excess of 599 containers of the kinds, sizes, and brands sold by the distributor. The distributor shall not refuse to pay such redemption center, within ten working days, a sum equal to the refund values which are embossed on, or on the devices affixed to, such beverage containers pursuant to Section 14511, plus a handling fee equal to 20 percent of such refund values.

(e) A distributor shall not be required to pay a manufacturer a deposit on a non-refillable beverage container.

14513. (a) A dealer or redemption center may refuse to accept from any consumer, or a distributor may refuse to accept from a dealer or redemption center, any empty beverage container which does not state thereon a refund value of the beverage container as required by Sections 14510 and 14511 or which, if glass or plastic, is broken.

(b) A dealer may establish reasonable hours when a quantity of containers in excess of 48 will be accepted from any one consumer, and may then refuse to accept such quantities during other hours.

CHAPTER 3. VIOLATIONS

14525. Every person convicted of a violation of this division is guilty of an infraction punishable upon a first conviction by a fine not exceeding $100 and for a second or subsequent conviction by a fine not exceeding $250.

CHAPTER 4. OPERATIVE DATE

14535. This division shall apply to beverage containers sold or offered for sale in this state on or after March 1, 1984.

CHAPTER 5. AMENDMENT

14540. If any provision of this division or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this division, and to this end, the provisions of this division are severable and independent.

14541. Amendments to this division may be made only by a two-thirds affirmative vote of each house of the Legislature, and may be made only to achieve the objectives of this division.

Proposition 13 Analysis: *Continued from page 50*

addition, this section would require that, as a condition of approving any municipal, agricultural, or power project which would result in an adverse impact on instream uses, the board must *require* the appropriator to offset those adverse impacts. Finally, the measure permits the board to establish standards for instream flow protection to implement its provisions.

• **New Melones Reservoir.** This section would restrict the amount of water that may be stored behind the Federal New Melones Dam on the Stanislaus River. With four specified exceptions, this section provides that no water may be stored at New Melones until the Federal Bureau of Reclamation has entered into long-term contracts to sell at least 75 percent of the water supply made available by the project.

The measure also seeks to revise the congressionally authorized pricing of water from the New Melones Project. The current practice of the Federal Bureau of Reclamation is to pool the costs and revenues of the water and power from New Melones with the costs and revenues from all other facilities of the Federal Central Valley Project (CVP). This section would prohibit those entities subject to state law from entering into a

contract for purchase of water from New Melones unless the purchasers agree to pay their full share of (1) the construction costs of the New Melones Project, without benefit of subsidy from other CVP facilities or other water users, and (2) all operation, maintenance, and delivery costs involved in the New Melones Project and related conveyance facilities.

The measure would also require the State Water Resources Control Board, to the extent possible, to restrict storage of water in the New Melones Reservoir to the area downstream of Parrott's Ferry Bridge.

• **Groundwater Management.** This section would impose groundwater management on 11 groundwater basins where overpumping of water is critical: (a) Santa Cruz-Pajaro, (b) Cuyama Valley, (c) Ventura County, (d) Eastern San Joaquin, (e) Chowchilla, (f) Madera, (g) Kings, (h) Kaweah, (i) Tulare Lake, (j) Tule, and (k) Kern County. These areas are located primarily in the eastern and southern portions of the San Joaquin Valley.

Local entities in the specified areas would be required to establish local groundwater management authorities within one year of the passage of this measure. If any local entity subject to this requirement fails to establish a groundwater management authority within one year, the State Water Resources Control Board would be authorized to designate a public local entity or provide for the creation and designation of a joint powers groundwater management authority.

No later than two years after the board has designated a groundwater management authority, the authority would be required to adopt a groundwater management program which contains a detailed statement of objectives and a plan for achieving these objectives. When conditions such as long-term overdraft or poor water quality exist, the authority would be empowered to limit, control, or prohibit pumping of groundwater.

A groundwater management program could not be effective until it was approved by the State Water Resources Control Board after public notice and an opportunity for public hearing had been given. In addition, this section would prohibit the board from approving any application to appropriate water for an interbasin transfer to any of the specified basins until the board had approved a groundwater management program covering the basin. Furthermore, commencing one year after the effective date of this measure and until the approval of a groundwater management program for a given basin, only land within the basin that has been irrigated during at least one of the preceding three years could be irrigated.

• **Miscellaneous Provisions.** Under the measure every public entity in California would be required to implement the measure's policies and provisions to the fullest extent possible. In addition, the measure would provide that any person may challenge a final State Water Resources Control Board action, but must do so within 60 days after the action. The measure also would allow the board, any private individual, or the Attorney General to enforce various portions of its provisions by court actions.

The authority of the Legislature to amend the measure would be limited.

Fiscal Effect:

The State Water Resources Control Board estimates that it would incur a cost of $1.48 million annually (1982 prices) for six years to carry out its new responsibilities related to water conservation, instream protection, the New Melones Reservoir and groundwater management. Both the Departments of Fish and Game and Water Resources maintain that they would not incur any significant increased costs, because they are now operating in a manner that is relatively consistent with the measure.

Under this measure both the state and local governments would incur short-term planning and administrative costs and long-term implementation costs. These costs would be most significant in those areas of the state specifically targeted by the measure. The extent of these costs would depend on the specific decisions made by government entities, prospective diverters of water, and individual water users.

Certain provisions of this measure, particularly those affecting groundwater rights and modification of federal operations at New Melones, raise legal questions that are likely to result in lawsuits testing the legality of the measure and its implementation. The Attorney General's office would incur unknown costs, depending on the extent of litigation, to validate and enforce provisions of the measure. Because the outcome of such litigation could have a considerable effect on the fiscal impact of this measure, the measure's overall fiscal effect on the state and local governments cannot be determined.

If the measure defers the filling of the New Melones Reservoir, it is likely to result in an unknown loss of power revenues to the Central Valley Project and its local water and power service contractors.

The water conservation and improved groundwater management features of the measure could result in long-term savings to the state and affected local agencies by reducing the costs incurred to add new water supplies and pump water.

Proposition 13 Text: *Continued from page 51*

15227. For the purposes of Section 15226, "cost" means the cost as allocated to water supply elements of the New Melones Project when the Water and Power Resources Service (now the Bureau of Reclamation) of the United States Department of Interior assumed responsibility for the project from the United States Army Corps of Engineers on November 20, 1979.

15228. Any person, state agency, subdivision of the state, state-regulated agency, or entity organized under the laws of the State of California entering into an agreement for the purchase and delivery of water from the New Melones Dam Project shall condition its agreement to provide that the agreement shall not be in full force and effect until long-term water service contracts are signed representing 75 percent of the firm yield of the New Melones Project.

15229. In complying with the terms of this chapter, the board shall, to the extent possible, restrict storage of water in the New Melones Reservoir to the area downstream of Parrott's Ferry Bridge, 808 feet above mean sea level.

PART 4. GROUNDWATER RESOURCES CONSERVATION

CHAPTER 1. FINDINGS AND DECLARATIONS OF POLICY

15300. The people of the State of California find and declare all of the following:

(a) Conditions of critical groundwater overdraft currently exist in several

areas of the state, adversely affecting water resources throughout the entire state.

(b) Local groundwater resources shall be managed to avoid conditions of long-term overdraft, land subsidence, water quality degradation, and other significant environmental harm.

(c) Local economies shall be built and sustained on reliable, long-term water supplies and not upon long-term overdraft as a source of water supply.

15301. The people, however, recognize that, in certain areas, long-term overdraft cannot immediately be eliminated without causing severe economic loss and hardship. In those areas, the groundwater management programs provided for in this part shall include all reasonable measures, consistent with the policies and provisions of this division, to prevent a further increase in the amount of long-term overdraft and to accomplish continuing reduction in long-term overdraft.

CHAPTER 2. DEFINITIONS

15310. As used in this part:

(a) "Groundwater" means water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water. Groundwater does not include water subject to the existing permit and license system administered by the board.

(b) "Local entity" means any city, city and county, or county. Local entity also means any public utility, mutual water company, or general or special district or agency, provided it is authorized to acquire, develop, replenish, or otherwise manage or regulate water supplies. Any member entity of a district, agency, or authority, including a joint powers authority, shall also be considered a local entity for the purposes of this part.

(c) "Long-term overdraft" means the condition of a groundwater basin in which the average annual amount of water extracted for a period of five years or more exceeds the average annual supply of water for that period to the basin, plus any temporary surplus.

CHAPTER 3. CRITICAL GROUNDWATER OVERDRAFT AREAS

15320. The following groundwater basins identified in Department of Water Resources Bulletin 118–80 are hereby declared to be critical groundwater overdraft areas and shall establish groundwater management authorities and otherwise comply with the provisions of this part: (a) Santa Cruz-Pajaro Basin; (b) Cuyama Valley Basin; (c) Ventura County Basin; (d) Eastern San Joaquin County Basin; (e) Chowchilla Basin; (f) Madera Basin; (g) Kings Basin; (h) Kaweah Basin; (i) Tulare Lake Basin; (j) Tule Basin; and (k) Kern County Basin.

CHAPTER 4. GROUNDWATER MANAGEMENT AUTHORITIES

15330. Within one year after the effective date of this division, the local entities within a critical groundwater overdraft area designated in Section 15320 shall identify a responsible authority to carry out the groundwater management requirements of this part and shall transmit their nomination to the board. The board shall designate the authority nominated by the local entities as the groundwater management authority for the area unless an objection is filed with the board by a local entity in the area within 60 days after the transmittal of the nomination to the board.

15331. In making their nomination pursuant to Section 15330, the local entities in a critical groundwater overdraft area shall nominate one of the following from their area, as the responsible groundwater management authority for their area: (a) a local entity which is a public agency; (b) a joint powers authority organized under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code; or (c) a groundwater management district organized pursuant to law, if and when such a law is enacted.

15332. If, one year after the effective date of this division, the local entities within a designated critical groundwater overdraft area have not nominated a responsible authority as provided for in Section 15330 and 15331, or an objection to the nomination has been properly filed with the board, the board shall, after notice and opportunity for hearing, expeditiously determine whether any existing public local entity can effectively serve as the groundwater management authority for the area. Where the determination is made in the affirmative, the board shall designate a public local entity as the groundwater management authority for the area.

15333. If, pursuant to Section 15332, the board determines that no existing public local entity can effectively serve as the groundwater management authority, the board shall provide notice of the determination to all local entities within the area. Upon receipt of the notice, the local entities within the area shall, within 180 days, create a joint powers authority for the purposes of meeting the groundwater management requirements of this part, which authority shall be designated by the board.

15334. Any groundwater management authority designated by the board pursuant to this part may exercise, as appropriate, any of the powers set forth in (a) the Orange County Water District Act (Chapter 924, Statutes of 1933 as amended on or before the effective date of this division), (b) the Sierra Valley Groundwater Basin Act (Chapter 449, Statutes of 1980), or (c) future legislation authorizing additional powers for groundwater management authorities. In addition, any such authority shall have the power to limit, control, or prohibit extraction of groundwater within the groundwater management area to respond to conditions of long-term overdraft, subsidence, water quality degradation, significant environmental harm, well interference, or the threat of any of those conditions.

CHAPTER 5. LOCAL GROUNDWATER MANAGEMENT PROGRAMS

15340. Not later than two years after a groundwater management authority is designated, the authority shall adopt a groundwater management program for the area.

15341. (a) Each groundwater management program shall include a detailed statement of groundwater management objectives. These objectives shall include, but shall not be limited to, all of the following:

(1) Reduction of water demand by means of water conservation, waste water reclamation, and other means;

(2) Preservation and improvement of water quality by means of soil and drainage management;

(3) Effective use of the storage capacity of the groundwater basins; and

(4) Maintenance of groundwater supplies to provide water for wetlands.

(b) Groundwater management objectives shall be consistent with the policies and provisions set forth in this division.

15342. Each groundwater management program shall include a plan of implementation for achieving the groundwater management objectives stated. The plan of implementation shall describe the actions necessary to achieve the groundwater management objectives stated and set a time schedule for each action to be taken.

15343. Groundwater management programs shall be reviewed periodically and may be revised. Any revision of a groundwater management program shall be subject to all the requirements for the adoption of an initial groundwater management program.

15344. A groundwater management program or a revision of a program shall not become effective unless and until, after notice and opportunity for hearing, it is approved by the board.

15345. The board shall act upon any groundwater management program or revision within one year after its submission to the board.

15346. The board shall approve a groundwater management program or revision where it finds that the groundwater management objectives and implementation plans stated in the program are consistent with the policies and provisions of this division, and that the implementation plan will be adequate to achieve the groundwater management objectives stated in the program.

CHAPTER 6. PROGRAM IMPLEMENTATION

15350. One year after the effective date of this division no land within any critical groundwater overdraft area shall be irrigated unless the land has been irrigated for at least one growing season in the immediately preceding three calendar years.

15351. The restriction in Section 15350 shall remain in force in any critical groundwater overdraft area until the board has approved the program pursuant to Section 15345. Upon application, the board may grant individual exemptions to the requirements of Section 15350 where the board finds that the development would not result in the net increase of water use within the critical groundwater overdraft area and would otherwise be consistent with Section 2 of Article X of the California Constitution.

15352. The board shall not approve any application to appropriate water for an interbasin transfer to any critical groundwater overdraft basin until the board has approved the management and implementation programs for the area pursuant to the requirements and provisions of Section 15346.

CHAPTER 7. EFFECT ON LOCAL ENTITIES

15360. Nothing in this part shall be construed to preempt or otherwise interfere with any existing authority of local public entities to manage, regulate, or otherwise provide for groundwater or the extraction of groundwater in areas which are not designated as critical groundwater overdraft areas by Section 15320.

CHAPTER 8. EXEMPTION FOR SMALL GROUNDWATER FACILITIES

15370. Any well which produces less than 75 gallons of water per minute shall be exempt from any requirement imposed by this part or as a result of the requirements of this part.

PART 5. MISCELLANEOUS PROVISIONS

15400. Notwithstanding any provisions of law to the contrary, every affected public entity in California shall, to the fullest extent possible, implement the policies and the provisions of this division.

15401. The board shall adopt regulations and take all appropriate actions before executive, legislative, or judicial agencies to enforce the policies and provisions of this division. Any person may petition the board to enforce the provisions of this division, pursuant to procedures adopted by the board.

15402. (a) Any person may, within 60 days after final action by the board, file a petition for writ of mandate in the Superior Court in and for the County of Sacramento regarding the validity of any administrative action of the board in carrying out the provisions and policies of the division. Failure to file the

petition within 90 days shall preclude any person from challenging the board's action in any administrative or judicial proceeding.

(b) Any person shall have standing to enforce the provisions of this division in a proceeding for declaratory or injunctive relief. Except as provided in subdivision (a), nothing in this section shall limit any other cause of action which may be available under other provisions of law.

(c) The board may request the Attorney General to seek injunctive relief and other appropriate judicial remedies in the Superior Court in and for the County of Sacramento when necessary to enforce the provisions and the policies of this division.

15403. This division may be amended or repealed by the procedures set forth in this section. If any portion of subdivision (a) is declared invalid, then subdivision (b) shall be the exclusive means of amending or repealing this division.

(a) This division may be amended to further its purpose by statute, passed in each house by rollcall vote entered in the journal, a majority of the membership concurring, and signed by the Governor, if at least 20 days prior to passage in each house the bill in its final form has been delivered to the board for distribution to the news media and to every person who has requested the board to send copies of those bills to him or her.

(b) This division may be amended or repealed by a statute that becomes effective only when approved by the electors.

15404. The people of the State of California find and declare that the policies and the provisions of this division are in furtherance of the policy of conservation and reasonable and beneficial use contained in Section 2 of Article X of the California Constitution and, being necessary for the health, safety, and welfare of the state and its inhabitants, shall be liberally construed.

15405. If any provision of this division or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the division which can be given effect without the invalid provision or application, and to this end the provisions of this division are severable.

Proposition 14 Text: *Continued from page 55*

by the members of the State Senate, registered to vote as affiliated with the party at the date of their nomination.

(2) One member, not a state legislator, appointed by the state chairman of the party, with the approval of the party's executive committee.

(c) Three members shall be appointed between December 10 and December 20 by representatives of the political party with which the second largest number of persons registered to vote were affiliated at the time of the last statewide election, as follows:

(1) One member by the members of the State Assembly, and one member by the members of the State Senate, registered to vote as affiliated with the party at the date of their nomination.

(2) One member, not a state legislator, appointed by the state chairman of the party, with the approval of the party's executive committee.

(d) If persons belonging to any other political party have 10% of the membership of the State Legislature, one additional member may be appointed by the state legislators belonging to that party between December 10 and December 20.

(e) Each member of the Commission shall be registered to vote in California.

(f) Vacancies shall be filled by the body that made the previous appointment in the manner required by this section.

(g) Failure to have one or more members appointed under sections (b) and/or (c) shall not affect the power of the Commission to adopt plans.

SEC. 5.

(a) The Commission shall adopt rules and regulations to fulfill its responsibilities under this article.

(b) Commission meetings shall be open to the public. Commission records, data and plans shall be available to the public.

(c) All action by the Commission shall require approval by a recorded roll call vote of two-thirds of the appointed members, except as otherwise provided in this article.

(d) The Commission shall employ needed staff, consultants and services. The Executive Director must be selected by the vote required to adopt a plan. Members appointed pursuant to sections 4(a), (b) and (c) shall each be allocated sufficient equal budgets to select staffs responsible to them. These staffs shall have equal access to the policy discussions and decisions of the Commission and to all data compiled and systems used by the Commission.

(e) The Secretary of State shall collect and maintain data necessary to carry out the purposes of this article and provide it to the Commission and, for a reasonable fee, to other interested persons.

SEC. 6.

(a) A Commission shall initially be appointed by December 31, 1982. Appointments made under sections 4(b), (c) and (d) shall be made by December 20, 1982 and under section 4(a) by December 31, 1982. The Commission shall adopt districting plans for the 1984 through 1990 elections based on the 1980 decennial census and shall remain in existence until there are final plans for those elections.

(b) Thereafter a Commission shall be appointed in the year of each decennial census. It shall adopt districting plans based on that census and shall remain in existence until there are final plans for that decade.

(c) The Commission shall:

(1) Adopt regulations that further define the objectives and standards for plans.

(2) Establish geographic regions for districting purposes based on major geographical, urban and rural divisions in California.

(3) Hold public hearings throughout the state on proposed plans, including at least two hearings prior to the adoption of plans when those plans are in substantially final form.

(4) Adopt final plans by October 1 of the year following appointment of the Commission, or 180 days after receipt of necessary census data, whichever is later.

(5) Provide written findings and reasons for adoption of plans.

(d) Plans must be adopted by a recorded roll call vote of two-thirds of the appointed members of the Commission, including at least three votes from members appointed pursuant to section 4(a), one vote from any member appointed pursuant to section 4(b), and one vote from any member appointed pursuant to section 4(c).

SEC. 7.

(a) An adopted districting plan shall take effect for the first direct primary following expiration of the period for judicial review and referendum. If that expiration date is later than February 1 of the year of a direct primary, the plan shall take effect for the next following direct primary. Plans shall be effective for the rest of the decade.

(b) An adopted districting plan shall have the full effect of a statute. The plan's adoption date shall be deemed to be the enactment date of a statute. The plan shall be published in the Statutes of California.

(c) Any statute adopted by the Legislature fixing boundaries for districts covered by a plan shall be void.

SEC. 8.

(a) A plan shall not be subject to repeal or amendment by the Legislature.

(b) A plan adopted by the Commission is subject to referendum under the same requirements and procedures applicable to statutes.

(c) When a referendum petition is certified as adequate by the Secretary of State, the California Supreme Court shall order the next primary and general election to be held in the existing districts, or adopt an interim plan subject to the requirements of Section 9(b) and (c).

SEC. 9.

(a) The California Supreme Court shall have original and exclusive jurisdiction to review a plan adopted by the Commission. A petition for mandamus or other review may be filed by a resident of the state within 45 days after the adoption of the plan.

(b) The Supreme Court shall adopt a districting plan within 60 days, in accordance with the objectives and standards set forth in section 3, if:

(1) The Commission has been unable to adopt a plan by October 1 of the year before a direct primary, or 180 days after receipt of necessary census data, whichever is later;

(2) A plan adopted by the Commission has been rejected by the voters; or

(3) A plan adopted by the Commission is finally adjudicated as unconstitutional or in violation of federal statute.

(c) The Supreme Court shall use the Commission with its staff, if at all possible, as its special masters.

SEC. 10. Commission members and staff shall not hold, or be eligible for election to, any state elective office whose district boundaries have been adopted by the Commission for four years from the date the Commission convenes, except those members who are members of the State Legislature at the time of their appointment.

SEC. 11.

(a) The Legislature shall appropriate funds to the Districting Commission and to the Secretary of State adequate to carry out their duties under this article.

(b) Each Commission member who is not an elected state official shall receive monthly compensation equal to the salary of a member of the State Legislature, except during months in which the Commission is not active.

SEC. 12. If any part of this article or the application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications which reasonably can be given effect without the invalid provision or application.

Second—That Article XXI is repealed.

~~ARTICLE XXI~~

~~SECTION 1. In the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, the Legislature shall adjust the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts in conformance with the following standards:~~

~~(a) Each member of the Senate, Assembly, Congress, and the Board of Equalization shall be elected from a single member district.~~

~~(b) The population of all districts of a particular type shall be reasonably equal.~~

~~(c) Every district shall be contiguous.~~

~~(d) Districts of each type shall be numbered consecutively commencing at the northern boundary of the state and ending at the southern boundary.~~

~~(e) The geographical integrity of any city, county, or city and county, or of any geographical region shall be respected to the extent possible without violat-~~

~~ing the requirements of any other subdivision of this section.~~

Third—That Section 1 of Article IV is amended to read:

SEC. 1. *Except as provided in Article IV A,* ~~The~~ *the* legislative power of this State is vested in the California Legislature which consists of the Senate and Assembly, but the people reserve to themselves the powers of initiative and referendum.

Fourth—That Section 6 of Article IV is amended to read:

SEC. 6. For the purpose of ~~choosing~~ *electing* members of the Legislature, the State shall be divided into 40 Senatorial and 80 Assembly districts ~~to be called Senatorial and Assembly Districts~~ *as specified in the districting plan adopted under Article IV A.* ~~Each Senatorial district shall choose one Senator and each Assembly district shall choose one member of the Assembly.~~ *One member shall be elected from each district. The Senatorial districts shall be numbered from one to 40, and the Assembly districts shall be numbered from one to 80, in each case commencing at the northern boundary of the State.*

Fifth—That Section 17 of Article VI is amended to read:

SEC. 17. A judge of a court of record may not practice law and during the term for which the judge was selected is ineligible for public employment or public office other than judicial employment ~~or~~, judicial office, *or service on a selection panel as provided for in Section 4 of Article IV A.* A judge of the superior or municipal court may, however, become eligible for election to other public office by taking a leave of absence without pay prior to filing a declaration of candidacy. Acceptance of the public office is a resignation from the office of judge.

A judicial officer may not recieve fines or fees for personal use.

Proposition 15 Text: *Continued from page 59*

(6) The people of the state of California recognize that most firearms are long rifles and shotguns, which have many lawful uses in such recreational sports as hunting, and in self-protection as well. By enacting this initiative, law-abiding people are guaranteed the right to own and purchase long rifles and shotguns without limitation. Through this initiative, the people attempt only to put reasonable regulations on concealable handguns and to prevent their use in the commission of crimes.

(7) The people of the state of California recognize that the cost of handgun violence, including hospital care, welfare, unemployment, and other expenses, totals hundreds of millions of dollars annually. Through this initiative, the people intend to stem these senseless and ever-increasing expenditures, which place an unnecessary burden on the taxpayer.

Now, therefore, the people of the State of California do hereby adopt this initiative as law, which contains the following elements:

1. All handguns are required to be registered with the Attorney General by November 2, 1983, one year after this initiative becomes law, and authority is removed from the Legislature to enact laws that would ban the ownership of these registered handguns.

2. The number of handguns is limited to those in circulation in California as of April 30, 1983. Law-abiding citizens can still purchase handguns after that date but only from the existing supply of registered handguns. Exceptions are provided for law enforcement and other carefully selected categories, and provision is also made for replacement of old handguns with new ones.

3. The Legislature will be prohibited from enacting any additional regulations beyond those existing on November 2, 1982 restricting the ownership of long rifles and shotguns by law-abiding citizens.

4. Mandatory jail sentences will be required for people who carry unregistered concealed handguns in public or who engage in black market profiteering from the sale of illegal handguns.

SECTION 2. Section 12001.1 is added to the Penal Code to read:

12001.1 (a) As used in this Chapter, the term "concealable firearm" means any pistol, revolver or other firearm capable of being concealed upon the person as defined in Section 12001.

(b) As used in this Chapter, the term "shotgun or long rifle" means any shotgun or rifle as defined in Title 18 of the United States Code, Section 921(a)(5), (7).

(c) As used in this Chapter, the terms "dealer," "licensed dealer," and "licensed gun dealer" mean any person licensed pursuant to Section 12071.

(d) As used in this Chapter, the term "licensed manufacturer" means any firearms manufacturer licensed pursuant to Title 18 of the United States Code, Section 923.

SECTION 3. Section 12001.2 is added to the Penal Code to read:

12001.2. (a) Under no circumstances shall the legislature pass any law in addition to those existing on November 2, 1982 which would ban ownership or sale or require the registration of shotguns or long rifles, except with respect to persons with a criminal conviction or history of mental instability.

(b) Under no circumstances shall the legislature pass any law prohibiting the ownership of concealable firearms lawfully registered in accordance with this Chapter except with respect to persons with a criminal conviction or history of mental instability.

SECTION 4. Section 12026 of the Penal Code is amended to read:

12026. Section 12025 shall not be construed to prohibit any citizen of the United States over the age of 18 years who resides or is temporarily within this State, and who is not within the excepted classes prescribed by Section 12021, from owning, possessing, or keeping within his place of residence or place of business any pistol, revolver, or other firearm capable of being concealed upon the person ~~; and no permit or license to purchase, own, possess, or keep any such firearm at his place of residence or place of business shall be required of him~~.

SECTION 5. Section 12028 of the Penal Code is amended to read:

12028. (a) The unlawful concealed carrying upon the person or within the vehicle of the carrier of any of the weapons mentioned in Section 653k, 12020, or 12025 is a nuisance.

(b) A firearm of any nature used in the commission of any misdemeanor as provided in this code or any felony, or an attempt to commit any misdemeanor as provided in this code or any felony, is, upon a conviction of the defendant, a nuisance.

(c) Any weapon described in subdivision (a), or, upon conviction of defendant, any weapon described in subdivision (b), shall be surrendered to the sheriff of a county or the chief of police or other head of a municipal police department of any city or city and county. ~~The officers to whom the weapons are surrendered, except upon the certificate of a judge of a court of record, or of the district attorney of the county, that the retention thereof is necessary or proper to the ends of justice, may annually, between the 1st and 10th days of July, in each year, offer the weapons, which the officers in charge of them consider to have value with respect to sporting, recreational, or collection purposes, for sale at public auction to persons licensed under federal law to engage in businesses involving any weapon purchased.~~ If any weapon has been stolen and is thereafter recovered from the thief or his transferee, or is used in such a manner as to constitute a nuisance pursuant to subdivision (a) or (b) without the prior knowledge of its lawful owner that it would be so used, it ~~shall not be so offered for sale but~~ shall be restored to the lawful owner, as soon as its use as evidence has been served, upon his identification of the weapon and proof of ownership *and compliance with Section 12062*.

~~(d) If, under this section, a weapon is not of the type that can be sold to the public, generally, or is not sold pursuant to subdivision (c) the weapon~~ *Any other weapon that is a nuisance pursuant to this Section* shall, in the month of July, next succeeding, be destroyed so that it can no longer be used as such a weapon *or disposed of as provided for in Section 12030*.

~~(e)~~ *(d)* This section shall not apply to any firearm in the possession of the Department of Fish and Game or which was used in the violation of any provision of law, or regulation thereunder, in the Fish and Game Code.

~~(f) No stolen weapon shall be sold or destroyed pursuant to subdivisions (c) or (d) unless reasonable notice is given to its lawful owner, if his identity and address can be reasonably ascertained.~~

SECTION 6. Section 12028.5 is added to the Penal Code to read:

12028.5. Any concealable firearm possessed in violation of Section 12061 is a nuisance. Any such firearm shall be surrendered to the sheriff of a county or the chief of police or other head of a municipal police department of any city or city and county. If such firearm was stolen, reasonable notice of its recovery shall be given to its lawful owner and it shall be restored to such owner as soon as its use as evidence has been served and upon his proof of ownership and compliance with Section 12062. Otherwise, except upon the certificate of a judge of a court of record, or of the district attorney of the county, that the retention thereof is necessary or proper to the ends of justice, such firearm shall be destroyed in the manner described in Section 12028.

SECTION 7. Section 12031.5 is added to the Penal Code to read:

12031.5. (a) Notwithstanding any other provision of law, any violation of either Section 12025 or 12031, concurrent with a violation of Section 12061, is a felony and is punishable by imprisonment in the state prison.

Except as provided in subdivision (b), but notwithstanding any other provision of law, if any person convicted of a violation of either Section 12025 or Section 12031, concurrent with a violation of Section 12061, is granted probation or the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned for at least six months.

(b) The provision of subdivision (a) shall apply except in extraordinary cases where incarceration would result in a manifest injustice. The mere fact that an individual has no prior criminal record or has not attempted to use the unregistered firearm shall not alone be sufficient to invoke the operation of this subdivision. If the court determines that the exception created by this subdivision is applicable, it shall make written findings specifying precisely the facts and circumstances which warrant such exception. Any such determination shall be appealable to the Court of Appeal for the district where the trial was held.

(c) This Section does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

SECTION 8. Section 12032 of the Penal Code is amended to read:

12032. Notwithstanding any provision of law or ~~of~~ any local ordinance to the contrary, when any firearm is in the possession of any officer of the state, or of a county, city and county or city, and such firearm is an exhibit filed in any criminal action or proceeding which is no longer needed or is unclaimed or abandoned property, which has been in the possession of the officer for at least 180 days, the firearm shall be ~~sold, or destroyed,~~ *disposed of* as provided for in ~~Section~~ *Sections* 12028 *or 12030*.

This section shall not apply to any firearm in the possession of the Department of Fish and Game or which was used in the violation of any provision of law or regulation thereunder, in the Fish and Game Code.

SECTION 9. Section 12034.5 is added to the Penal Code to read:

12034.5 It is a felony for a driver of any motor vehicle or the owner of any motor vehicle, irrespective of whether such owner is occupying such vehicle, knowingly to permit any other person to carry into or bring into the vehicle an unregistered firearm in violation of Section 12061 and in violation of Section 12031 or knowingly to permit such other person to discharge any firearm from such vehicle in violation of any provision of this code.

SECTION 10. Article 4 of Chapter 1 of Title 2 of Part 4 of the Penal Code is amended to commence with Section 12060, which is added to the Penal Code to read:

12060. (a) On or before November 2, 1983, the owner of any concealable firearm not exempted by Section 12061(b) shall register such firearm with the Department of Justice in Sacramento by submitting a completed registration form together with a check or money order in the amount of the registration fee established by the Department under Section 12063.

(b) On or before January 15, 1983, or as soon thereafter as is practicable, the Department of Justice shall issue a concealable firearm registration form, the content of which the Department shall prescribe by regulation. The form shall be prepared by the State Printer, and shall be furnished by the State Printer to any municipal police department or sheriff's office, or any licensed dealer so requesting, and shall be made available to the public free of charge. A brief summary of the provisions of this Chapter shall be printed on the face of each form, and it shall require at a minimum the following information with respect to each concealable firearm required to be registered:

(i) Description of firearm;
(ii) Maker of firearm;
(iii) Number of firearm;
(iv) Caliber of firearm;
(v) Legal name of owner;
(vi) Permanent residence of owner;
(vii) Date of birth of owner;
(viii) Height, weight, and hair and eye color of owner;
(ix) Signature of owner;
(x) Date the firearm was purchased.
(xi) Any additional information to verify the firearm or the applicant's identity.

(c) Upon receipt of the completed registration form and the registration fee, and if the applicant is not prohibited by Section 12021 or by Sections 8100 or 8103 of the Welfare and Institutions Code from possessing a concealable firearm, the Department of Justice shall issue and mail to the firearm owner a handgun registration card. Such card shall be in a form prescribed by the Department of Justice and shall contain an identification number, the holder's name, address, birth date, height, weight, hair and eye color, a place for his or her signature, and a description of the firearm, including its maker, number, and caliber, and shall be captioned "Handgun Registration Card." In the event a person loses his or her handgun registration card, the Department shall be authorized to issue a duplicate card.

(d) Any person who knowingly provides false information in the registration form, or in connection with any of the other provisions of this Chapter, is guilty of a misdemeanor.

(e) Subdivision (a) shall not apply to any domestic government or governmental agency that is authorized to possess concealable firearms.

(f) No handgun registration card shall be issued pursuant to this Section, Sections 12072.5 or 12080 or otherwise for any concealable firearm which was not registered pursuant to this Section on or before November 2, 1983, excepting firearms issued pursuant to Section 12072.8.

SECTION 11. Section 12060.2 is added to the Penal Code to read:

12060.2. (a) No licensed gun dealer in the State of California shall be eligible to register, other than in his capacity as a private individual, any concealable firearms in his possession. Any concealable firearms in his possession after April 30, 1983 shall be considered part of the inventory described in Section 12061(a), from which sales may be made only to persons described by Sections 12061(b), 12064 and 12072.8(c).

(b) From November 3, 1982 until April 30, 1983 no licensed gun dealer shall sell a number of concealable firearms greater than 10% in excess of his sales for the corresponding period of 1981–1982.

(c) No individual may register pursuant to Section 12060 of this Chapter more than one concealable firearm which was purchased between January 1, 1982 and April 30, 1983. Any individual who wishes to register in excess of five concealable firearms shall submit sufficient documentation to the Department of Justice demonstrating that no more than one of such firearms was purchased between January 1, 1982 and April 30, 1983.

(d) Any individual possessing concealable firearms in excess of the number eligible for registration under subdivision (c) shall not be deemed in violation of Section 12061(a) until thirty days after notification by the Department of Justice. Such individual shall dispose of such ineligible firearms in any manner not inconsistent with this Chapter.

(e) Violation of the provisions of this Section is a misdemeanor, punishable by a fine not to exceed five hundred dollars ($500) per weapon illegally sold or registered.

SECTION 12. Section 12060.3 is added to the Penal Code to read:

12060.3. The Department of Justice shall make every effort consistent with responsible fiscal policy to process all initial registration forms by January 1, 1984.

SECTION 13. Section 12060.5 is added to the Penal Code to read:

12060.5. (a) Information contained in the registration form and any transfer applications provided for by this Chapter is confidential and to be used for law enforcement purposes only. Transfer or use of information gathered pursuant to this Article, for other than law enforcement purposes or except by court order, is prohibited.

(b) Except by court order, it is a misdemeanor for the Department of Justice, any government agency, any gun dealer or any of their agents or employees, or former agents or employees, to disclose or make known any information gathered pursuant to this Article for other than law enforcement purposes.

(c) It is not a violation of this Section to disseminate statistical or research information obtained from a registration form or transfer application, provided that the identity of the individual named in the form is not revealed.

(d) The forms prepared by the Department of Justice for the purpose of implementing this Article shall reprint on the back the text of subdivisions (a) through (c) of this Section.

SECTION 14. Section 12060.7 is added to the Penal Code to read:

12060.7. After April 30, 1983 no person, other than those described by Section 12061(b), shall buy, sell or otherwise transfer any concealable firearm not previously registered. Violation of this Section is a misdemeanor.

SECTION 15. Section 12061 is added to the Penal Code to read:

12061. (a) After November 2, 1983, no person shall own, possess or have under his control any concealable firearm unless such person is not otherwise disqualified by this Chapter from owning a concealable firearm, and (1) is the holder of a valid handgun registration card issued in his own name for such firearm or has applied for such a card for such firearm by filing a registration form pursuant to Section 12060 or 12080 and such application is still pending; or (2) is a member of the same household as the person entitled to possession under (1) above; or (3) is an employee of the person entitled to possession under (1) above, while acting within the course and scope of employment, at the place of business, and with the express permission of such person; or (4) such firearm has been imported by a licensed dealer or a person described by subdivision (b) and is in transit, or is in transit for a period less than forty-eight hours to a destination outside the state of California with such firearm or firearms unloaded, unless the necessity for remaining in excess of forty-eight hours was created by events beyond the person's control; or (5) is using the concealable firearm at a target shooting range for periods of less than twelve hours, and the proprietor of the target shooting range has properly obtained a permit for such firearm pursuant to Section 12064; provided that licensed gun dealers may maintain an inventory of unregistered concealable firearms solely for the purposes of making sales to persons pursuant to Sections 12061(b), 12064 and 12072.8(c).

(b) Subdivision (a) shall not apply to (1) persons described by Section 12031, subdivisions (b), (c) and (d), excluding those persons described by paragraphs (b) (3) and (b) (4) of that Section; (2) a firearm owned by or under the control of a person who has received a permit covering such firearm pursuant to Section 12064; (3) a firearm in the possession of a licensed manufacturer; (4) a firearm which is an antique or curio or relic as defined in Section 12020; or (5) a firearm in the possession of an employee of any domestic government who is authorized to possess such firearm.

(c) Any person possessing an unregistered firearm after November 2, 1983, may turn such firearm over to the Department of Justice or local law enforcement authorities without any penalty under this Section. Any such person who informs local law enforcement authorities of his intention to surrender a firearm shall not be liable under this Chapter for transporting such firearm in order to effect surrender.

(d) Violation of this Section is a misdemeanor punishable by a fine not to exceed five hundred dollars ($500) per firearm. Violation of this Section by an individual previously convicted of any felony or of any crime punishable by this Chapter is guilty of a felony.

SECTION 16. Section 12061.5 is added to the Penal Code to read:

12061.5. (a) No concealable firearm may be brought into the state of California from outside the state after November 2, 1982, unless such firearm was previously registered pursuant to Section 12060, or was imported by a person described by Section 12061(b) or a licensed dealer.

(b) After November 2, 1982, no person shall order by mail any concealable firearm.

(c) Notwithstanding the provisions of Sections 12061 and 12061.5 (a), any person who has not been a California resident since November 2, 1983, and subsequently enters the state with intent to establish residence, shall be allowed forty-five days after entry into the state in which to dispose of a concealable firearm in his possession. The burden shall be on the defendant to prove his nonresidence prior to the forty-five day period.

(d) As soon after November 2, 1982 as is practicable, the Department of Motor Vehicles shall include on every application form for a California Driver's License or California Identification Card a statement informing the applicant that after November 2, 1982, previously unregistered handguns may not be brought into the state.

(e) Violation of this Section is a misdemeanor.

SECTION 17. Section 12062 is added to the Penal Code to read:

12062. (a) All persons, including licensed dealers, shall notify the Department of Justice in writing of:

(1) the loss, theft or destruction of any concealable firearm in such person's possession or control immediately upon discovery of such loss, theft or destruction;

(2) the loss, theft or destruction of any handgun registration card issued for a firearm in such person's possession or control immediately upon discovery such loss, theft or destruction.

(b) Violation of this Section is punishable by a fine not to exceed five hundred dollars ($500).

(c) A summary of the requirements of this Section shall be printed on every

handgun registration card.

SECTION 18. Section 12063 is added to the Penal Code to read:

12063. The Department of Justice shall charge a user fee sufficient to cover the costs of processing any registration form, transfer application, or application for a permit described in Sections 12060, 12064, 12072.5, 12072.6, or 12072.8, not to exceed ten dollars ($10) per concealable firearm transaction, provided that a fee in excess of that amount shall be charged if the Department of General Services certifies that such fee approximates the actual costs of processing such application. Such costs shall include the cost of printing forms and cards, and the cost of printing the pamphlet described in Section 12072.5(c), which sums shall be forwarded to the State Printer periodically. To the extent feasible, all costs shall be apportioned to the type of transaction to which they are most closely related. The cost of promulgating regulations pursuant to the provisions of this initiative, the costs of informing the public of the provisions of this Chapter pursuant to Section 12082, and the cost of providing dealers with the list of exempt individuals as required by Section 12072.5(e), shall be reflected in the fee charged to persons applying for an original registration pursuant to Section 12060.

SECTION 19. Section 12064 is added to the Penal Code to read:

12064. The Department of Justice shall accept applications for and may grant permits to purchase and possess concealable firearms not registered on or before November 2, 1983, to any person operating a target shooting range or engaged in motion picture, stage or television program production. Any such firearm owned by a person operating a target shooting range shall be kept at the range and removed therefrom only for as long as is reasonably necessary for use in a recognized sporting event. Any such firearm owned by a person engaged in motion picture, stage or television program production shall be used solely as a prop for such production. The Department shall issue regulations prescribing criteria for qualifying for such a permit and governing the use of concealable firearms owned by the person who possesses such a permit. Any violation of any of the provisions of this Section is a misdemeanor.

SECTION 20. Section 12071(3) of the Penal Code is deleted:

~~3. No pistol or revolver shall be delivered~~

~~(a) Within 15 days of the application for the purchase, and when delivered shall be unloaded and securely wrapped; nor~~

~~(b) Unless the purchaser either is personally known to the seller or shall present clear evidence of his identity.~~

SECTION 21. Section 12072 of the Penal Code is amended to read:

12072. *(a) Except as provided by Sections 12072.6 and 12080, after November 2, 1982 no person, other than a licensed dealer, shall sell, deliver or otherwise transfer any concealable firearm to any person other than a licensed dealer, and no person other than a licensed dealer shall purchase, receive or otherwise obtain any such firearm from any person other than a licensed dealer at the business location designated in the dealer's license. Violation of this subdivision is a misdemeanor.*

(b) No person, ~~corporation or dealer~~ shall sell, deliver, or otherwise transfer any, ~~pistol, revolver, or other~~ *concealable* firearm ~~capable of being concealed upon the~~ *to any* person ~~to any person~~ whom he ~~has cause to believe~~ *knows* to be within any of the classes prohibited by Section 12021 *or by Sections 8100 or 8103 of the Welfare and Institutions Code* from owning or possessing such firearms, *nor to any person he knows intends to commit a crime with such firearm,* nor to any minor, under the age of ~~18~~ *21* years. ~~In no event shall any such firearm be delivered to the purchaser within 15 days of the application for the purchase thereof, and when delivered such firearm shall be securely wrapped and shall be unloaded. Where neither party to the transaction holds a dealer's license, no person shall sell or otherwise transfer any such firearm to any other person within this state who is not personally known to the vendor.~~ ~~Any violation~~ *Violation* of ~~the~~ *this* ~~provisions of this section~~ *subdivision* is a ~~misdemeanor~~ *felony*.

(c) Nothing in subdivision (a) shall prohibit the transfer of a concealable firearm to a person permitted to possess the firearm under Section 12061(b).

SECTION 22. Section 12072.5 is added to the Penal Code to read:

12072.5. (a) After April 30, 1983, except as provided in Section 12072.6 and Section 12080, no person, other than a licensed dealer, shall purchase, receive or otherwise obtain any concealable firearm and no dealer shall sell, deliver or transfer such a concealable firearm to any person unless:

(1) the transferee appears before a licensed dealer, fills out a transfer application, which shall be in quadruplicate, each copy differing in color, and shall be similar to the registration form described by Section 12060 and prepared by the State Printer;

(2) the dealer provides copies of the transfer application to the Department of Justice and the relevant law enforcement authorities as required by subdivision (b) of this Section; and

(3) the Department finds that the transferee is not disabled from possessing a concealable firearm under Section 12021 of this Chapter or Sections 8100 or 8103 of the Welfare and Institutions Code, and the dealer thereafter receives a handgun registration card in the name of the transferee as required by subdivision (c) of this Section.

(b) Immediately after the transferee has filled out the transfer application, the dealer shall place in the mail, postage prepaid, and properly addressed to the Department of Justice at Sacramento, the original sheet and one copy of the application, together with the existing handgun registration card, and a check or money order in the amount of the transfer fee established under Section 12063. The second copy of the application shall be mailed, postage prepaid, to the Chief of Police, or other head of the police department of the city or county were the sale is made. When the sale is made in a district where there is no municipal police department, the second copy of the application shall be mailed to the sheriff of the county where the sale is made. The dealer shall maintain the third copy for his own files.

If, on receipt of its copies of the application, it appears to the Department that the purchaser resides in a district other than that to which a copy of the application is required to be mailed, the Department shall transmit one of its copies to the head of the municipal police department, if any, in the district in which the purchaser resides or, if none, to the sheriff of the county in which he resides.

(c) Within fifteen days from the date the transferee filled out the transfer application, the Department shall determine whether the purchaser is a person described in Section 12021 of this Code or Sections 8100 or 8103 of the Welfare and Institutions Code. If the purchaser is qualified to possess the firearm, the Department shall issue and mail to the dealer a handgun registration card as described in Section 12060 for the new owner of the firearm. In addition, the Department shall mail to the dealer, for subsequent transfer to the purchaser, a pamphlet which describes the penalties imposed by this Chapter and information regarding the proper care, safe handling and storage of concealable firearms.

(d) The dealer may transfer the firearm to the transferee only after the dealer receives the handgun registration card from the Department, shall require clear evidence of the purchaser's identity, and in no event shall transfer the firearm until at least 15 days have passed since the transferee filled out the transfer application. At the time of transfer, the dealer shall provide to the transferee the new handgun registration card and the pamphlet described in subdivision (c), and shall deliver the firearm securely wrapped and unloaded.

(e) This Section shall not apply to the sale or transfer by a dealer of any concealable firearm to a person described in subdivision (b) of Section 12061 or which is an antique or curio or relic as defined in Section 12020, provided that on the day the sale is made, the dealer shall forward by prepaid mail to the Department of Justice a report of such sale and the type of information concerning the buyer and the firearm sold as is provided for in the transfer application described in subdivision (a). In no case shall a dealer sell any concealable firearm to an individual purporting to be within the class described by Section 12061(b) except upon confirmation of the identity of such individual as a member of such class. The Department of Justice shall furnish every licensed gun dealer with a list of categories of such exempt persons, and a description of the type of documentation which will be required in order to establish a purchaser's exempt status.

(f) No dealer shall purchase, receive or otherwise obtain any concealable firearm from any person who does not possess a handgun registration card for such firearm, excepting those persons or firearms described in Section 12061(b).

(g) Any transferee furnishing a fictitious name or address or knowingly furnishing any other incorrect information, and any other person violating any of the provisions of this Section is guilty of a misdemeanor.

(h) The license of a dealer who violates any of the provisions of this Article shall be subject to forfeiture.

(i) Any person who unlawfully transfers a concealable firearm in violation of Section 12072.5(a), Section 12072.6 or Section 12072 shall, so long as such firearm remains unlawfully possessed, be jointly and severally liable with any person who negligently or wrongfully discharges such firearm for any death or personal injury proximately resulting from such discharge, provided that such transferor shall be liable only if he possessed actual knowledge of the facts making such transfer illegal, or was negligent in failing to acertain such facts. The liability imposed by this Section is in addition to any liability now imposed by law, or implied under any other provision of this Chapter. However, no person shall incur liability under this subdivision in an amount exceeding twenty-five thousand dollars ($25,000) for death or injury or any one person.

(j) Any claim pursuant to subdivision (i) shall be filed within five years of the illegal transfer creating the liability sued upon.

(k) Any liability incurred under subdivision (i) shall be deemed the result of a "willful" act for purposes of Section 533 of the Insurance Code, and is therefore uninsurable.

SECTION 23. Section 12072.6 is added to the Penal Code to read:

12072.6. (a) Notwithstanding the provisions of Section 12072(a), any person who wishes to obtain a legally registered concealable firearm from an individual who is not a licensed gun dealer may do so by filling out a non-dealer transfer application, prepared and supplied by the State Printer, at any municipal police department or county sheriff's office. The application shall be substantially similar to the transfer application described in Section 12072.5(a)(1), and shall be processed in the manner prescribed by Section 12072.5, including the 15-day waiting period. The transferor's handgun registration card shall be mailed by the police department or sheriff's office to the Department of Justice together with the application and the fee established under Section 12063.

(b) No transfer pursuant to subdivision (a) shall be effectuated until the police department or sheriff's office where the non-dealer transfer application was processed receives the new handgun registration card from the Department of Justice, and in turn provides such card to the transferee.

(c) The police department or sheriff's office where the non-dealer transfer application was processed shall provide the transferor with a temporary handgun registration card containing the same information as the original card, except that it shall be a different color and shall bear an expiration date of 30 days after the original card was surrendered. In the event that the Department of Justice has failed to process the transfer application at the end of this 30-day period, the temporary handgun registration card shall be valid until a permanent one is issued by the Department of Justice.

(d) The police department or sheriff's office where the non-dealer transfer application was processed may charge a uniform fee to be determined by the Department of Justice sufficient to cover the costs of processing such applications.

(e) Nothing in this Section shall prohibit individuals wishing to transfer a concealable firearm from entering into a private agreement with a licensed gun dealer who may act as a broker in order to effectuate such transfer, provided that the provisions of this Chapter are otherwise complied with.

SECTION 24. Section 12072.7 is added to the Penal Code to read:

12072.7. (a) Any person who, in knowing violation of Sections 12072 or 12072.5, has sold or attempted to sell five or more concealable firearms within a five year period shall be guilty of a felony. There shall be a rebuttable presumption that an individual who has sold or attempted to sell a concealable firearm has knowledge of the provisions of Sections 12072 and 12072.5.

(b) Any person found in possession of more than five unregistered concealable firearms in knowing violation of Section 12061 with intent to sell such firearms shall be guilty of a felony. There shall be a rebuttable presumption that an individual possessing a concealable firearm has knowledge of the provisions of Section 12061, and that a person found in possession of more than five unregistered concealable firearms intends to sell such firearms.

(c) Notwithstanding any other provision of law, any violation of subdivisions (a) or (b) of this Section is punishable by imprisonment in the state prison for a term of not less than one year or by imprisonment and a fine not exceeding five hundred dollars ($500) per weapon.

Except as provided in subdivision (d) of this Section, but notwithstanding any other provision of law, if any person convicted of a violation of subdivisions (a) or (b) of this Section is granted probation or the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned for at least one year.

(d) The provision of subdivision (c) shall apply except in extraordinary cases where incarceration would result in a manifest injustice. The mere fact that an individual has no prior criminal record shall not alone be sufficient to invoke the operation of this subdivision. If the court determines that the exception created by this subdivision is applicable, it shall make written findings specifying precisely the facts and circumstances which warrant such exception. Any such determination shall be appealable to the Court of Appeal for the district where the trial was held.

SECTION 25. Section 12072.8 is added to the Penal Code to read:

12072.8. Any person wishing to replace a lawfully registered concealable firearm may do so by the following procedure:

(a) The individual must appear before any municipal police department or county sheriff's office and surrender the weapon and his corresponding handgun registration card. The handgun registration card shall be mailed to the Department of Justice, and the concealable firearm shall be destroyed in the manner described in Section 12028 of this Chapter.

(b) Upon surrender of a concealable firearm and corresponding handgun registration card, the police department or sheriff's office shall issue to the owner of said firearm three copies of a certificate of replacement, which shall be of a type prescribed by the Department of Justice, shall contain information similar to that prescribed by Section 12060, and shall be prepared by the State Printer. The original shall be maintained by the issuing agency. Before issuance of said certificate, all information not relating to the particular firearm to be purchased shall be completed by the issuing agency. Each copy shall be a different color, and shall be clearly and conspicuously marked "Dealer Copy," "Owner Copy" and "Department Copy."

(c) If any individual presents the Dealer Copy and Department Copy of a certificate of replacement to a licensed gun dealer, such dealer shall telephone or otherwise contact the police department or sheriff's office which issued said certificate. Upon confirmation of its validity, the dealer shall enter the information required relating to the particular firearm to be purchased on the Department Copy and the Dealer Copy, and the Department Copy shall then be mailed to the Department of Justice. Thereafter, the provisions of Section 12072.5 for processing transfer applications shall govern the conditions and requirements which must be satisfied prior to actual transfer of the concealable firearm.

(d) The Department of Justice shall determine a uniform fee which may be charged by the police department or sheriff's office sufficient to cover the costs of processing certificates of replacement.

SECTION 26. Sections 12073, 12074, 12075, 12076, 12077, 12078 and 12079 of the Penal Code are deleted.

~~12073. Every person in the business of selling, leasing or otherwise transferring a pistol, revolver or other firearm, of a size capable of being concealed upon the person, whether such seller, lessor or transferor is a retailer dealer, pawnbroker, or otherwise, except as provided by this chapter, shall keep a register in which shall be entered the time of sale, the date of sale, the name of the salesman making the sale, the place where sold, the make, model, manufacturer's number, caliber, or other marks of identification on such pistol, revolver or other firearm.~~

~~This section shall not apply to wholesale dealers in their business intercourse with retail dealers, nor to wholesale or retail dealers in the regular or ordinary transport of unloaded firearms as merchandise to other wholesale or retail dealers by mail, express or other mode of shipment, to points outside of the city or county wherein they are situated.~~

~~12074. The register shall be prepared by and obtained from the State Printer and shall be furnished by the State Printer to the dealers on application at a cost to be determined by the Department of General Services for each 100 leaves in quadruplicate, one original and three duplicates for the making of carbon copies. The original and duplicate copies shall differ in color, and shall be in the form provided by this article.~~

~~12075. The State Printer upon issuing a register shall forward to the Department of Justice the name and business address of the dealer together with the series and sheet numbers of the register. The register shall not be transferable. If the dealer moves his business to a different location he shall notify the department of such fact in writing within 48 hours.~~

~~12076. The purchaser of any firearm capable of being concealed upon the person shall sign, and the dealer shall require him to sign his legal name and affix his residence address and date of birth to the register in, quadruplicate and the salesman shall affix his signature in quadruplicate on each sheet as a witness to the signature of the purchaser. Any person furnishing a fictitious name or address or knowingly furnishing an incorrect birth date and any person violating any of the provisions of this section is guilty of a misdemeanor.~~

~~Two copies of the original sheet of the register shall, on the date of sale, be placed in the mail, postage prepaid, and properly addressed to the Department of Justice at Sacramento and the third copy of the original shall be mailed, postage prepaid, to the chief of police, or other head of the police department of the city or county wherein the sale is made. Where the sale is made in a district where there is no municipal police department the third copy of the original sheet shall be mailed to the sheriff of the county wherein the sale is made.~~

~~If, on receipt of its two copies of the original sheet, it appears to the department that the purchaser resides in a district other than that to which a copy of the original sheet is required to be mailed, the department shall transmit one of its copies to the head of the municipal police department, if any, in the district in which the purchaser resides or, if none, to the sheriff of the county in which he resides.~~

~~If the department determines that the purchaser is a person described in Section 12021 of this code or Section 8100 or 8103 of the Welfare and Institutions Code, it shall immediately notify the dealer of such fact.~~

~~12077. The register provided for in this article shall be substantially in the following form:~~

~~FORM OF REGISTER~~
~~Original~~

~~Serial No. / /~~
~~Sheet No. / /~~

~~DEALER'S RECORD OF SALE OF REVOLVER OR PISTOL~~

~~STATE OF CALIFORNIA~~

~~Notice to dealers: This original is for your files. If spoiled in making out, do not destroy. Keep in books. Fill out in quadruplicate.~~

~~Two carbon copies must be mailed on the day of sale to the Department of Justice at Sacramento, and a carbon copy must be mailed at the same time to the head of police commissioners, chief of police, city marshal, town marshal, or other head of police department of the municipal corporation, wherein the sale is made, or to the sheriff of your county if the sale is made in a district where there is no municipal police department. Violation of this law is a misdemeanor. Use carbon paper for duplicates. Use indelible pencil.~~

~~Sold by / / / / / / / / / / ; Salesman ////////////////////~~
~~City, town or township, ////////////////////////////////~~
~~Description of arm~~
~~(state whether revolver or pistol) ////////////////////~~
~~Maker / / / / / / / number / / / / / / ; caliber ////////////~~
~~Name of purchaser / / / / / / / / / / ; age / / years~~
~~Permanent residence (state name of city, town or township, street and number of dwelling) ////////////////////~~
~~Date of birth ////////////////////~~
~~Height / / feet, / / inches. Occupation ////////////////~~
~~Color / / / / ; skin / / / / ; eyes / / / / ; hair ////////////~~
~~If traveling or in locality temporarily, give local address. ////////~~
~~Signature of purchaser. ////////////////////~~
~~(Signing a fictitious name or address is a misdemeanor)~~
~~(To be signed in quadruplicate)~~
~~Witness: / / / / / / / / / / Salesman.~~
~~(To be signed in quadruplicate)~~
~~Duplicate, triplicate, and quadruplicate carbon copies.~~

~~Serial No. / /~~
~~Sheet No. / /~~

~~DEALER'S RECORD OF SALE OF REVOLVER OR PISTOL~~

~~STATE OF CALIFORNIA~~

~~Notice to dealers: Three duplicate carbon copies are required. They must be mailed on the day of sale as set forth in the original of this registered page. Violation of this law is a misdemeanor.~~

~~Sold by / / / / / / / / / / ; Salesman ////////////////////~~
~~City, town or township, ////////////////////////////////~~
~~Description of arm~~
~~(state whether revolver or pistol) ////////////////////~~
~~Maker / / / / / / ; number / / / / / / ; caliber ////////////~~
~~Name of purchaser / / / / / / / / / / ; age / / years~~

~~Permanent address (state name of city, town or township, street and number of dwelling) //~~
~~Date of birth //~~
~~Height / / feet, / / inches. Occupation ////////////////////~~
~~Color / / / / ; skin / / / / ; eyes / / / / ; hair ////////////////~~
~~traveling or in locality temporarily, give local address: ////////~~
~~Signature of purchaser: ////////////////////////////////////~~
~~(Signing a fictitious name or address is a misdemeanor)~~
~~(To be signed in quadruplicate)~~
~~Witness: / / / / / / / / / / ; Salesman.~~
~~(To be signed in quadruplicate)~~

~~(Any person signing a fictitious name or address or knowingly affixing an incorrect birth date to said register and any person violating any of the provisions of this section is guilty of a misdemeanor.)~~

~~12078. The preceding provisions of this article do not apply to sales of concealable firearms made to persons properly identified as full-time paid peace officers as defined in Section 830.1, subdivisions (a) and (b) of Section 830.2 and subdivision (a) of Section 830.3 nor to sales of concealable firearms made to authorized representatives of cities, cities and counties, counties, state or federal governments for use by such governmental agencies. Proper identification is defined as verifiable written certification from the head of the agency by which the purchaser is employed, identifying the purchaser and authorizing the purchase. The certification shall be delivered to the seller at the time of purchase and the purchaser shall identify himself as the person authorized in such certification. On the day the sale is made, the dealer shall forward by prepaid mail to the Department of Justice a report of such sale and the type of information concerning the buyer and the firearm sold as is indicated in Section 12077.~~

~~12079. Any person, other than a dealer licensed under the provisions of Section 12071, or a manufacturer or wholesaler of weapons, who orders by mail any pistol, revolver, or firearm capable of being concealed upon the person shall, at least five days before ordering such weapon, file with the chief of police, or other head of the police department of the city, county, or city and county wherein such person maintains his residence or principal place of business, a record in duplicate of such order. When such person resides or has his principal place of business where there is no municipal police department, then such record, in duplicate, shall be filed with the sheriff of the county where such person resides or maintains his principal place of business. Such record shall be substantially in the following form:~~

~~RECORD OF ORDER OF CONCEALABLE FIREARM~~

~~Name / Date of birth ////////~~
~~Permanent address //~~
~~Height / / feet / / inches. Occupation ////////////////////~~
~~Color / / / / ; skin / / / / ; eyes / / / / ; hair ////////////////~~
~~Description of arm~~
~~(state whether revolver or pistol) ////////////////////////~~
~~Maker / / / / / / / / / / / / / / ; caliber ////////////////~~
~~Name and address of seller ////////////////////////////////~~
~~Signature //~~

~~The city, county, or city and county may charge a fee not exceeding one dollar ($1) for filing such record and shall send the duplicate of such record to the Department of Justice at Sacramento.~~

~~Within 14 days after receipt of such ordered weapon, the person who ordered such weapon shall transmit to the Department of Justice at Sacramento the serial number and a description of such weapon.~~

~~Any violation of this section is a misdemeanor.~~

SECTION 27. Section 12080 is added to the Penal Code to read:

12080. Upon the death of the owner of any concealable firearm for which a handgun registration card has been issued, the personal representative of said decedent or the person or persons entitled by the laws of descent or devise to possession of said firearm shall, within sixty days of the death of the owner, register said firearm with the Department of Justice in Sacramento pursuant to the procedures established by Section 12060 and a new handgun registration card shall be issued to such person or representative if he or she is qualified to possess the firearm. Notwithstanding the provisions of Sections 12060 or 12061, possession of such firearm during the sixty days following the death of the owner shall not be a violation of either of such Sections.

SECTION 28. Section 12081 is added to the Penal Code to read:

12081. No information obtained from a person under this Chapter or retained by a person in order to comply with any Section of this Chapter shall be used as evidence against such person in any criminal proceeding with respect to a violation of this Chapter, occurring prior to or concurrently with the filing of the information required by this Chapter except for a violation of Sections 12072.5(g) or 12060(d).

SECTION 29. Section 12082 is added to the Penal Code to read:

12082. The Department of Justice shall take all necessary measures to inform the public of the requirements of this Chapter between November 3, 1982 and November 3, 1983, in order to ensure compliance with its provisions. Every effort should be made to utilize the lowest cost methods available which are consistent with the requirement of fully informing the public, including public service announcements through the media.

SECTION 30. If any provision of this initiative law is found by any court to be unconstitutional or otherwise invalid under the laws of this State or of the United States, such finding shall not affect the validity of any other provision of this initiative law.

SECTION 31. Consistent with the purpose and intent of this initiative law, the Legislature, by a two-thirds majority of the membership of each house, may amend any of the provisions of this initiative law, excepting Section 12001.2.

Polls are open from 7 a.m. to 8 p.m.

MARCH FONG EU
Secretary of State
1230 J STREET
SACRAMENTO, CA 95814

In an effort to reduce election costs, the State Legislature has authorized the Secretary of State and counties having this capability to mail only one ballot pamphlet to addresses where more than one voter with the same surname resides. If you wish additional copies, you may obtain them by calling or writing to your county clerk or registrar of voters.

En un esfuerzo por reducir los costos electorales, la Legislatura Estatal ha autorizado a la Secretaria del Estado y los condados que cuentan con la capacidad de hacerlo, enviar una sola balota a direcciones en que reside más de un votante del mismo apellido. Si usted desea copias adicionales, llame o escriba al secretario del condado o registrador de votantes que le corresponde y se las suministrarán.

ELECTION MATERIAL

CERTIFICATE OF SECRETARY OF STATE

I, March Fong Eu, Secretary of State of the State of California, do hereby certify that the foregoing measures will be submitted to the electors of the State of California at the GENERAL ELECTION to be held throughout the State on November 2, 1982, and that the foregoing pamphlet has been correctly prepared in accordance with law.

Witness my hand and the Great Seal of the State in Sacramento, California, this 9th day of August 1982.

March Fong Eu

MARCH FONG EU
Secretary of State

CONTENTS