

Mother Lode Tea Party

we the people

<http://www.motherlodeteparty.org>

*Review and Recommendations
California
Statewide Propositions for November 2010*

Proposition			Recommendation
19	Marijuana	Legalize and tax marijuana	NO
20	Elections	Congressional district lines to be redrawn by a committee	YES
21	Taxes	Increase vehicle license fees by \$18 a year to fund state parks	NO
22	State Spending	State government prohibited from taking designated type of local funds	NO
23	Environment	Suspend AB 32, the "Global Warming solutions Act" until unemployment falls below 5.5%	YES
24	Taxes	Eliminates three business tax breaks	NO
25	State Spending	State budget and tax increases can be passed with a simple majority vote, rather than current two-thirds requirement	NO
26	Taxes	Voters must give permission before any new taxes can be imposed	YES
27	Elections	Return task of redistricting to the California State Legislature (repealing Proposition 11)	NO

Proposition 19

Ballot Title— Legalizes Marijuana Under California but not Federal Law

Permits Local Governments to Regulate and Tax Commercial Production, Distribution, and sale of marijuana

Review

Permits Local Governments to Regulate and Tax Commercial Production, Distribution, and Sale of Marijuana

Initiative Statute

Official Summary

Allows people 21 years old or older to possess, cultivate, or transport marijuana for personal use. Permits local governments to regulate and tax commercial production and sale of marijuana to people 21 years old or older. Prohibits people from possessing marijuana on school grounds, using it in public, smoking it while minors are present, or providing it to anyone under 21 years old. Maintains current prohibitions against driving while impaired.

Estimated Fiscal Impact

Savings of up to several tens of millions of dollars annually to state and local governments on the costs of incarcerating and supervising certain marijuana offenders. Unknown but potentially major tax, fee, and benefit assessment revenues to state and local government related to the production and sale of marijuana products.

Marijuana is a gateway drug. Our Legislative Committee medical expert says that there is no medical evidence that marijuana provides any relief that an appropriate prescription drug could not provide.

Recommendation

Vote No

Proposition 20

Ballot Title—Redistricting of Congressional Districts

Review

Removes elected representatives from the process of establishing congressional districts!!!

Initiative Constitutional Amendment

Official Summary:

Removes elected representatives from the process of establishing congressional districts and transfers that authority to recently-authorized 14-member redistricting commission comprised of Democrats, Republicans, and representatives of neither party.

Estimated Fiscal Impact:

No significant net change in state redistricting costs.

Recommendation

Vote Yes

Proposition 21

Ballot Title— Establishes \$18 Annual Vehicle License Surcharge to Help Fund State Parks and Wildlife Programs. Grants Surcharged Vehicles Free Admission to All State Parks

Review

Annual increase of \$500 in state revenues and it is estimated that \$250 million is left over from the increase to pass on to the state parks. What happened to the other \$250 million? Your government at work. There must be a better way.

Initiative Statute

Official Summary:

- *Requires deposit of surcharge revenue in a new trust fund and requires that trust funds be used solely to operate, maintain and repair state parks and to protect wildlife and natural resources.*
- *Exempts commercial vehicles, trailers and trailer coaches from the surcharge.*
- *Requires annual audit by the State Auditor and review by a citizens oversight committee.*

Estimated Fiscal Impact:

Annual increase to state revenues of \$500 million from surcharge of vehicle registrations. After offsetting some existing funding sources, these revenues would provide at least \$250 million more annually for state parks and wildlife conservation.

Recommendation

Vote No

Proposition 22

Ballot Title—Prohibits the State from Borrowing or Taking Funds Used for Transportation, Redevelopment, or Local Government Projects and Services

Mother Lode Tea Party directs your attention to this issue
with an especially prepared detailed review of the impact prepared by our local authority

Review

Redevelopment Agencies (RDA's) are state agencies administered at the local level by City Councilmen / Board of Supervisors and funded by local property taxes. There is no vote by the local property taxpayers to establish the agency or the project area, eminent domain, or debt creation (sell bonds using future tax-increment as collateral). The RDA's perpetuate themselves since they are reluctant to stop dipping into the ready source of local tax

Initiative

Constitutional Amendment.

Official Summary:

Prohibits the state, even during a period of severe financial hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services.

Estimated Fiscal Impact:

Please see detailed report by MLTP Legislative Committee

Due to restrictions on state authority over fuel and property taxes, the state would have to take alternative actions -- probably in the range of \$1 billion to several billion dollars annually. This would result in both:

- *Reductions in General Fund program spending and/or increases in state revenues of those amounts.*
- *Comparable increases in transportation and redevelopment funding resources.*

Proposition 22—continued on previous page

Review—continued

revenues. RDA's are a 21st century version of the **urban renewal** scheme. The RDA's use EMI-DOMAIN authority to transfer private property to private developers and businesses. Proposition 22 would allow **select** developers and private businesses to tap into your local tax base to fund private projects such as big box stores, car dealers, movie multiplexes and sports stadiums with subsidies and

Review—continued

bailouts, if the project fails. **Local voter controls** are lost because the RDA's control the amount of DEBT and TAX MONIES spent for their projects (the fox is guarding the hen house). When these projects overextend, the local officials can be "recalled", but the **local** taxpayers are left with the **debt**. Redevelopment is Corporate Socialism. Proposition 22 will INCREASE the nearly \$100 Billion Dollars state RDA DEBT.

Recommendation

Vote No

Proposition 23

Ballot Title— Suspends Implementation of Air Pollution Control Law (AB 32) Requiring Major Sources of Emissions to Report and Reduce Greenhouse Gas Emissions that Cause Global Warming Until Unemployment Drops to 5.5 Percent or Less for Full Year

Review

The debate isn't over! The science isn't settled! Only according to Al Gore. How can California legitimize "global warming" through the language of AB 32? Man caused **global warming** has even been renamed by its inventors as **climate change** since they couldn't make the global warming argument stick.

AB 32 is California's version of cap and trade. On September 27, 2006, Gov. Schwarzenegger signed AB 32 joined by Assembly Speaker Fabian Nunez (D-Los Angeles). AB 32 established a first-in-the-world comprehensive program of regulatory and market mechanisms in an at-

Initiative Statute

Official Summary:

- Suspends State law that requires greenhouse gas emissions be reduced to 1990 levels by 2020, until California's unemployment drops to 5.5 percent or less for four consecutive quarters.
- Requires State to abandon implementation of comprehensive greenhouse-gas-reduction program that includes increased renewable energy and cleaner fuel requirements, and mandatory emission reporting and fee requirements for major polluters such as power plants and oil refineries, until suspension ends.

Estimated Fiscal Impact:

- The suspension of AB 32 could result in a modest net increase in overall economic activity in the state. In this event, there would be an unknown but potentially significant net increase in state and local government revenues.
- Potential loss of a new source of state revenues from the auctioning of emission allowances by state government to certain businesses that would pay for these allowances, by suspending the future implementation of cap-and-trade regulations.
- Lower energy costs for state and local governments than otherwise.

Proposition 23—continued from previous page

Review—continued

tempt to achieve quantifiable, reductions of greenhouse gases.

Proponents of AB 32 promised 100,000 green jobs with the passage of the bill. In March of 2010, the California Air Resources Board (CARB) downgraded their estimate to 10,000 jobs. Allowed to continue to full implementation, energy costs will rise through the roof. The cost of gasoline, diesel fuel, natural gas, and electricity are increasing at unprece-

Review—continued

ded rates in California. Jobs are disappearing, not increasing. Entire industries have departed California for other countries and states. Truck and train terminals have moved from California to Nevada to be within one day of California markets and not be burdened with the provisions of AB 32.

The costs of compliance with the provisions of AB 32 preclude the expansion of existing California industries and is

Review—continued

not inviting to industry contemplating relocation to the California.

Recommendation

Vote Yes

Proposition 24

Ballot Title— Repeals Recent Legislation That Would Allow Businesses to Lower Their Tax Liability

Review

The tax professional of the MLTP Legislative committee says proposition 24 would repeal tax breaks that were given to corporations intended to help save jobs. These tax breaks are not “loopholes”, but are in line with the way other states tax corporations. Corporations do not pay taxes. Consumers ultimately pay corporate taxes and job costs.

Proposition 24 looks like a jobs killer.

Initiative Statute.

Official Summary:

- Repeals recent legislation that would allow businesses to shift operating losses to prior tax years and that would extend the period permitted to shift operating losses to future tax years.*
- Repeals recent legislation that would allow corporations to share tax credits with affiliated corporations.*
- Repeals recent legislation that would allow multistate businesses to use a sales-based income calculation, rather than a combination property-, payroll- and sales-based income calculation.*

Estimated Fiscal Impact:

Increased state revenues of about \$1.3 billion each year by 2012-2013 from higher taxes paid by some businesses. Smaller increases in 2010-11 and 2011-2012.

Recommendation

Vote No

Proposition 25

Ballot Title— Changes Legislative Vote Requirement to Pass Budget and Budget-Related Legislation from Two-Thirds to a Simple Majority. Retains Two-Thirds Vote Requirement for Taxes

Review

Until the texture of the California Assembly changes, this proposition would hand the State check book to the majority party. Not a good idea.

There is a "poison pill" in the language of Prop 25 that would allow tax increases to be enacted with a simple majority vote.

The clause in Proposition 25 that would allow this is: "Notwithstanding any other provision of law ... bills providing for appropriations related to the budget may be passed [by] a majority." Another section of Proposition 25 says, "This measure will not change the two-thirds vote requirement for the Legislature to raise taxes." On August 5, 2010, a Superior Court judge ruled that Prop 25 did not maintain the 2/3rds requirement to raise taxes.

Steve Merksamer, attorney for the opponents of Prop 25, says that the "notwithstanding any other provision..." clause means that Prop 25 is "a fraud on the voters."

Initiative

Constitutional Amendment

Official Summary:

- *Changes the legislative vote requirement necessary to pass the state budget and spending bills related to the budget from two-thirds to a simple majority.*
- *Provides that if the Legislature fails to pass a budget bill by June 15, all members of the Legislature will permanently forfeit any reimbursement for salary and expenses for every day until the day the Legislature passes a budget bill.*

Estimated Fiscal Impact:

In some years, the contents of the state budget and related legislation could be changed due to the lower legislative vote requirements in this measure. The extent of these changes would depend on a number of factors, including the state's financial

- *circumstances, the composition of the Legislature, and its future actions.*
- *In any year the Legislature has not sent a budget to the Governor on time, there would be a reduction in state legislator compensation costs of about \$50,000 for each late day until the Legislature passes a budget bill. "*

Recommendation

Vote No

Proposition 26

Ballot Title— Requires that Certain State and Local Fees Be Approved by Two-Thirds Vote. Fees Include Those That Address Adverse Impacts on Society or the Environment Caused by the Fee-Payer's Business

Review

This proposition would decrease State and local revenues. It would repeal recent fee and tax laws. It eliminates the distinction between taxes and fees.

Initiative

Constitutional Amendment

Official Summary:

- *Requires that certain state fees be approved by two-thirds vote of Legislature and certain local fees be approved by two-thirds*

Estimated Fiscal Impact:

- *Decreased state and local government revenues and spending due to the higher approval requirements for new revenues. The amount of the decrease would depend on future decisions by governing bodies and*

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Review

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In Favor—stops the imposition of hidden taxes

Against—polluters would escape fees. Opposed by the Sierra Club

Official Summary:

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of voters.

- *Increases legislative vote requirement to two-thirds for certain tax measures, including those that do not result in a net increase in revenue, currently subject to majority vote.*

Estimated Fiscal Impact:

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voters, but over time could total up to billions of dollars annually.

- *Additional state fiscal effects from repealing recent fee and tax laws: (1) increased transportation program spending and increased General Fund costs of \$1 billion annually, and (2) unknown potential decrease in state revenues.*

Recommendation

Vote Yes

Proposition 27

Ballot Title— **Eliminates State Commission on Redistricting
Consolidates Authority for Redistricting with Elected Representatives**

Review

*Consolidates Authority for Redistricting with **Elected Representatives**. Eliminates the **recently** passed PROPOSITION 11 passed by the voters in November of 08 to take redistricting **away** from the elected authority*

Initiative Constitutional Amendment and Statute

Official Summary:

- *Eliminates 14-member redistricting commission selected from applicant pool picked by government auditors.*
- *Consolidates authority for establishing state Assembly, Senate, and Board of Equalization district boundaries with elected state representatives responsible for drawing congressional districts.*
- *Reduces budget, and imposes limit on amount Legislature may spend, for redistricting.*
- *Provides that voters will have the authority to reject district boundary maps approved by the Legislature.*
- *Requires populations of all districts for the same office to be exactly the same.*

Estimated Fiscal Impact:

- *Possible reduction of state redistricting costs of around \$1 million over the next year.*
- *Likely reduction of state redistricting costs of a few million dollars once every ten years beginning in 2020*

Recommendation

Vote No