



DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS

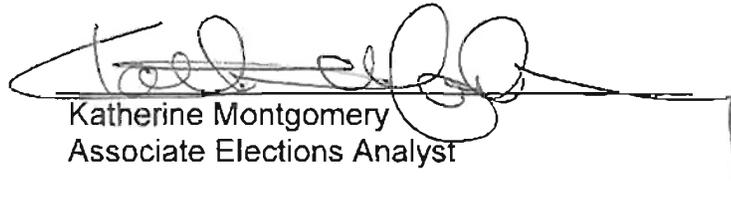
1500 11th Street, 5th Floor | Sacramento, CA 95814 | Tel (916) 657-2166 | Fax (916) 653-3214 | www.sos.ca.gov

March 26, 2010

County Clerk/Registrar of Voters (CC/ROV) Memorandum #10103

TO: All County Clerks/Registrars of Voters and Proponents

FROM:


Katherine Montgomery
Associate Elections Analyst

RE: Initiative: 1461, Related to Taxation

Pursuant to Elections Code section 336, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**IMPOSES ADDITIONAL TAX ON ALCOHOLIC BEVERAGES.
INITIATIVE STATUTE.**

The proponents of the above-named measure are:

Josie Whitney
Kent M. Whitney

kjkwhitney@yahoo.com

#1461

**IMPOSES ADDITIONAL TAX ON ALCOHOLIC BEVERAGES.
INITIATIVE STATUTE.**

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required:433,971
California Constitution, Article II, Section 8(b)
2. Official Summary Date:Thursday, 03/25/10
3. Petitions Sections:
 - a. First day Proponent can circulate Sections for
signatures (Elec. Code § 336) Thursday, 03/25/10
 - b. Last day Proponent can circulate and file with the county.
All sections are to be filed at the same time within each
county. (Elec. Codes §§ 336, 9030(a)) Monday, 08/23/10*
 - c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (Elec. Code § 9030(b)).....Thursday, 09/02/10

(If the Proponent files the petition with the county on a date prior to
08/23/10, the county has eight working days from the filing of the petition
to determine the total number of signatures affixed to the petition and to
transmit the total to the Secretary of State) (Elec. Code § 9030(b)).
 - d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures
and notifies the counties.....Saturday, 09/11/10**
 - e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(Elec. Code § 9030(d)(e)).....Friday, 10/22/10

* Date adjusted for official deadline, which falls on a weekend (Elec. Code § 15).

** Date varies based on the date of county receipt.

INITIATIVE #1461

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 09/11/10, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elec. Code § 9030(d)(e)).

- f. If the signature count is more than 477,369 or less than 412,273 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 412,273 and 477,369 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of **all** signatures (EC §9030(f)(g); 9031(a)).....Monday, 11/01/10*

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (Elec. Code § 9031(b)(c)). Thursday, 12/16/10

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 11/01/10, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elec. Code § 9031(b)(c).)

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (Elec. Code §§ 9031(d), 9033).....Monday, 12/20/10*

*Date varies based on the date of county receipt.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- Please refer to Elections Code sections 100, 101, 104, 9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



1300 I STREET, SUITE 125
P.O. BOX 944255
SACRAMENTO, CA 94244-2550

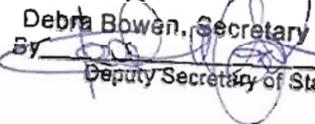
Public: (916) 445-9555
Telephone: (916) 445-4752
Facsimile: (916) 324-8835
E-Mail: Krystal.Paris@doj.ca.gov

March 25, 2010

FILED
In the office of the Secretary of State
of the State of California

Honorable Debra Bowen
Secretary of State of the State of California
State of California Elections
1500 11th Street, 5th Floor
Sacramento, CA 95814

MAR 25 2010

Debra Bowen, Secretary of State
By 
Deputy Secretary of State

Attention: Ms. Katherine Montgomery
Associate Elections Analyst

Dear Secretary Bowen:

Pursuant to Elections Code, section 9004, you are hereby notified that on this day we sent our title and summary for each of the following proposed initiatives to the respective proponent(s):

- 10-0005, "Alcohol-Related Harm and Damage Services Act of 2010."
- 10-0006, "Repeal Mandatory Auto Insurance."
- 10-0007, "Voters FIRST Act for Congress 2021."

A copy of the title and summary and text of each proposed initiative is enclosed. Thank you.

Sincerely,

Handwritten signature of Krystal M. Paris in blue ink.

KRYSTAL M. PARIS
Initiative Coordinator

For EDMUND G. BROWN JR.
Attorney General

March 25, 2010

Page 2

Proponents:

10-0005:

Josie Whitney

Kent M. Whitney

kjkwhitney@yahoo.com

Confidential:

5220 Fiore Terrace #M 201

San Diego, CA 92122

10-0006:

Michael Lee Madsen, Sr.

foramericanow@aol.com

Confidential:

4872 Willowbrook Drive

Sacramento, CA 95842

10-0007:

Clark Chu

reachchu@gmail.com

Confidential:

2536 Tulare Ave.

El Cerrito, CA 94530

March 25, 2010
Initiative 10-0005

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

IMPOSES ADDITIONAL TAX ON ALCOHOLIC BEVERAGES. INITIATIVE

STATUTE. Imposes an additional excise tax on alcoholic beverages, increasing the excise tax on each six-pack of beer from 11¢ to \$6.08, on each 750 ml bottle of wine from 4¢ to \$5.11, and on each 750 ml bottle of distilled spirits from 65¢ to \$17.57. Requires additional excise tax revenues to be deposited into a special fund appropriated to the Department of Alcohol and Drug Programs to finance programs to address alcohol-related harms as specified. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Additional state revenues of between \$7 billion and \$9 billion annually from an increase in state excise taxes on alcoholic beverages, with the proceeds going to support alcohol-related programs and services. A decrease in state and local revenues from existing excise and sales taxes on alcoholic beverages of several hundred million dollars annually due to a likely decline in consumption of alcoholic beverages.** (10-0005.)

December 29, 2009

Office of the California Attorney General
Attn.: Krystal Paris - Initiative Coordinator
1300 I Street
Sacramento, CA. 95814

10-0005
RECEIVED
FEB 01 2010
INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary of Proposed Initiative

Dear Ms. Paris,

We are the proponents of the proposed initiative constitutional amendment filed herewith. We request that the Attorney General prepare a title and summary of the chief purpose and points of this proposed measure. Enclosed please find the text of the proposed measure, my residence address at which I am registered to vote, and the filing fee of \$200.00.

Josephine and Kent M. Whitney

kjkwhitney@yahoo.com

Please contact me if additional information is needed.

Sincerely,

Josie Whitney

Kent M. Whitney

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

12-point
Boldface
Type

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

Type: Roman
Boldface not
smaller than
12-point

We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Health and Safety Code and the Revenue and Taxation Code, relating to alcoholic beverages, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or otherwise provided by law. The proposed amendments (full title and text of measure) read as follows:

SECTION 1. This measure shall be known and may be cited as the Alcohol-Related Harm and Damage Services Act of 2010.

SEC. 2. The people of the State of California find and declare all of the following:

(a) Alcohol-related problems cost Californians an estimated \$38.4 billion annually, including the costs of illness and injury, the criminal justice system, lost productivity, impacts on the welfare system, trauma and emergency care, and the foster care system.

(b) Alcohol use also costs California's state and county governments approximately \$8.3 billion annually in increased health care costs, criminal justice costs, and lost tax revenues, while the income to the state from alcohol licensing, fees, excise taxes, and sales taxes is less than \$1 billion annually.

(c) According to the U.S. Centers for Disease Control and Prevention, beer is the most commonly consumed drink by binge drinkers, and 67 percent of binge drinkers are underage. Underage drinkers account for 17.5 percent of all beer consumed annually, spending \$22 billion.

(d) Beer accounts for 80 percent of the preferred alcoholic beverages.

(e) Ninety-seven thousand college-age women are raped or sexually assaulted each year under circumstances involving the use of alcohol. Half of all rape victims were intoxicated and half of their attackers were intoxicated at the time of the attack.

(f) Alcohol use during pregnancy causes approximately 5,000 children to be born in California each year with alcohol-related birth defects.

(g) The cost of services for one person born with fetal alcohol syndrome is over \$2 million each year.

(h) The use of alcohol is associated with an increased incidence of digestive disease, cancer, neuropsychiatric conditions, cardiovascular disease, malignant neoplasms, pregnancy-related conditions, fetal alcohol syndrome, and high risk sex.

(i) One person dies, and there are 533 incidents of violent crime, every hour due to alcohol use in California.

(j) While the staggering cost of alcohol abuse is borne by all Californians, 67 percent of the alcohol sold in California is consumed by only 11 percent of the population.

(k) The last alcoholic beverage tax increase in California was in 1992.

(l) An alcoholic beverage tax increase is necessary to mitigate the adverse effects of alcohol use.

SEC. 3. Chapter 5 (commencing with Section 11759.10) is added to Part 1 of Division 10.5 of the Health and Safety Code, to read:

CHAPTER 5. ALCOHOL-RELATED HARM AND DAMAGE SERVICES FUND

11759.10. There is hereby established in the State Treasury the Alcohol-Related Harm and Damage Services Fund to consist of those surtaxes, and interest and penalties paid under Chapter 5.8 (commencing with Section 32231 of Part 14 of Division 2 of the Revenue and Taxation Code).

11759.11. Notwithstanding Section 13340 of the Government Code, the moneys in the Alcohol-Related Harm and Damage Services Fund are hereby continuously

appropriated, without regard to fiscal year, to the department for expenditure exclusively in those shares and for those purposes as set forth below:

(a) Twenty-two percent for treatment and recovery services for alcohol addiction, including, but not limited to, hospitalization and rehabilitation services for physical or mental illnesses caused or contributed to by alcohol use.

(b) Twenty-two percent for programs that provide support services, including, but not limited to, job training and placement, counseling, support groups, classes in parenting and budgeting, and legal and other types of advocacy and representation, to family members of alcohol abusers.

(c) Fifteen percent for the funding of grants for naturopathic treatment and recovery programs for alcohol addiction.

(d) Twelve percent for capital expenditures for facilities for the housing or treatment of homeless and low-income persons recovering from alcohol-related problems.

(e) Ten percent for programs to improve the enforcement of alcohol-related laws other than those described in subdivision (f), and for related costs and services of the criminal justice and penal systems.

(f) Ten percent for programs to improve the enforcement of laws prohibiting driving under the influence of an alcoholic beverage and for related costs and services of the criminal justice and penal systems.

(g) Five percent for programs and public awareness campaigns to prevent the use and abuse of alcoholic beverages. The public awareness campaigns funded under

this subdivision shall focus on informing the public, particularly children and young adults, of the potential health risks of alcohol use.

(h) Three percent for capital expenditures for housing and shelters for victims of alcohol-related abuse.

(i) One percent for the department to conduct followup studies, as required by Section 11759.12, to evaluate the effectiveness and fiscal impact of the programs and services funded by the additional surtax on beer, wine, and distilled spirits imposed pursuant to Chapter 5.8 (commencing with Section 32231) of Part 14 of Division 2 of the Revenue and Taxation Code.

11759.12. (a) The department shall conduct a followup study every two years to evaluate the effectiveness and fiscal impact of the programs and services that are funded pursuant to Section 11759.11. The followup study shall include, but not be limited to, a description of the types of programs and services funded and any resulting reductions in crime or welfare costs and other impacts or issues the department can identify.

(b) The department shall submit the results of the first followup study to the Legislature not later than two years after the effective date of this section, and the results of each additional followup study shall be submitted to the Legislature not later than the date two years after the last date to submit the immediately preceding followup study.

SEC. 4. Chapter 5.8 (commencing with Section 32231) is added to Part 14 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 5.8. ADDITIONAL SURTAX ON BEER, WINE, AND DISTILLED SPIRITS

32231. On and after the first day of the first calendar quarter commencing more than 90 days after the effective date of this section, an excise surtax is hereby imposed upon all beer and wine sold in this state by a manufacturer, winegrower, or importer; upon all distilled spirits sold in this state by a manufacturer, distilled spirits manufacturer's agent, brandy manufacturer, winegrower, importer, rectifier, wholesaler; by a common carrier upon boats, trains, and airplanes, or by persons licensed to sell distilled spirits upon boats, trains, and airplanes; or by sellers of beer, wine, or distilled spirits with respect to which no tax has been paid within areas over which the United States government exercises jurisdiction, at the following rates:

(a) On all beer, ten dollars and sixty cents (\$10.60) per gallon and at a proportionate rate for any other quantity.

(b) On all still wines containing not more than 14 percent of absolute alcohol by volume, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(c) On all still wines containing more than 14 percent of absolute alcohol by volume, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(d) On champagne, sparkling wine, excepting sparkling hard cider, whether naturally or artificially carbonated, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(e) On sparkling hard cider, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(f) On all distilled spirits of proof strength or less, eighty-five dollars and forty cents (\$85.40) per gallon and at a proportionate rate for any other quantity.

(g) On all distilled spirits in excess of proof strength, eighty-five dollars and forty cents (\$85.40) per gallon and at a proportionate rate for any other quantity.

32232. (a) Except with respect to beer and wine in the internal revenue bonded premises of a manufacturer, and except with respect to distilled spirits in the possession of a distilled spirits manufacturer, distilled spirits manufacturer's agent, brandy manufacturer, rectifier, wholesaler, or common carrier licensed to sell distilled spirits onboard boats, trains, and airplanes, floor stock taxes are hereby imposed in amounts equal to the surtaxes imposed by Section 32231 upon all alcoholic beverages upon which the surtaxes have not been paid, that are in the possession or under the control of every person licensed under Division 9 (commencing with Section 23000) of the Business and Professions Code at 12:01 a.m. on the first day of the first calendar quarter commencing more than 90 days after the effective date of this section.

(b) On or before the first day of the first calendar quarter commencing more than 150 days after the effective date of this section, each person subject to the surtax imposed by this section shall prepare and file with the board, on a form prescribed by the board, a return showing the amount of units of beer, wine, champagne, sparkling wine, sparkling hard cider, and distilled spirits possessed by him or her at 12:01 a.m. on the first day of the first calendar quarter commencing more than 90 days after the effective date of this section, that are subject to the surtax imposed by this section, and

any other information the board deems necessary for the proper administration of this chapter.

(c) The taxpayer shall deliver the return required by subdivision (b), together with a remittance of the surtax due, to the board on or before the first day of the first calendar quarter commencing more than 150 days after the effective date of this section.

32233. The surtaxes imposed by this chapter are in addition to any other tax imposed under this part.

32234. All of the provisions of this part, with the exception of those contained in Chapter 10 (commencing with Section 32501), shall apply to the surtaxes imposed by this chapter, to the extent that those provisions are not inconsistent with this chapter.

32235. (a) All surtaxes, interest, and penalties imposed and required to be paid under this chapter shall be remitted to the board.

(b) Except for refunds and reimbursement of the board for expenses incurred in the administration this chapter, all surtaxes imposed, and interest and penalties required to be paid, under this chapter shall be deposited in the Alcohol-Related Harm and Damage Services Fund established pursuant to Section 11759.10 of the Health and Safety Code.