



**DEBRA BOWEN | SECRETARY OF STATE  
STATE OF CALIFORNIA | ELECTIONS**

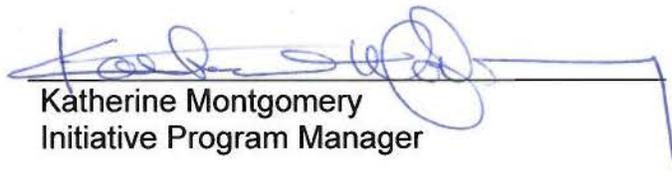
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August 15, 2011

County Clerk/Registrar of Voters (CC/ROV) Memorandum #11063

TO: All County Clerks/Registrars of Voters and Proponent

FROM:

  
Katherine Montgomery  
Initiative Program Manager

RE: Initiative: 1498, Related to Public Pensions

Pursuant to Elections Code section 9004 (c), we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**REQUIRES MINIMUM INVESTMENT BY  
PUBLIC PENSION OR RETIREMENT SYSTEMS IN  
CALIFORNIA BUSINESSES. INITIATIVE CONSTITUTIONAL AMENDMENT.**

The proponent of the above-named measure is:

Michael Lee Madsen, Sr.

[foramericanow@aol.com](mailto:foramericanow@aol.com)  
[cre8jobs4usplus1@aol.com](mailto:cre8jobs4usplus1@aol.com)

#1498

**REQUIRES MINIMUM INVESTMENT BY  
PUBLIC PENSION OR RETIREMENT SYSTEMS IN  
CALIFORNIA BUSINESSES. INITIATIVE CONSTITUTIONAL AMENDMENT.**

**CIRCULATING AND FILING SCHEDULE**

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1. Minimum number of signatures required: ..... 807,615  
California Constitution, Article II, Section 8(b)
2. Official Summary Date: ..... Monday, 08/15/11
3. Petitions Sections:
  - a. First day Proponent can circulate Sections for  
signatures (Elections Code § 336) ..... Monday, 08/15/11
  - b. Last day Proponent can circulate and file with the county.  
All sections are to be filed at the same time within each  
county. (Elections Codes §§ 9014, 9030(a)) ..... Thursday, 01/12/12
  - c. Last day for county to determine total number of  
signatures affixed to petitions and to transmit total  
to the Secretary of State (Elections Code § 9030(b)) ..... Wednesday, 01/25/12  
  
(If the Proponent files the petition with the county on a date prior to  
01/12/12, 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) (Elections 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 ..... Friday, 02/03/12\*
  - 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  
(Elections Code §§ 9030(d)(e)) ..... Tuesday, 03/20/12

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

**INITIATIVE #1498**  
**Circulating and Filing Schedule continued:**

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(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 02/03/12, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elections Code §§ 9030(d)(e).)

- f. If the signature count is more than 888,377 or less than 767,235 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 767,235 and 888,377 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)) ..... Friday, 03/30/12\*
  
- 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. (Elections Code §§ 9031(b)(c)). ..... Friday, 05/11/12

(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 03/30/12, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elections 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 (Elections Code §§ 9031(d), 9033) ... Tuesday, 05/15/12\*

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

## IMPORTANT POINTS

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- 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 § 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 §§ 100, 101, 104, 9008, 9009, 9013, 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.

**KAMALA D. HARRIS**  
**Attorney General**

**State of California**  
**DEPARTMENT OF JUSTICE**



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August 15, 2011

The Honorable Debra Bowen  
Secretary of State  
Office of the Secretary of State  
1500 11th Street, 6th Floor  
Sacramento, CA 95814

Attention: Ms. Katherine Montgomery  
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 the following proposed initiative to the proponent:

- 11-0018 "Public Employee Retirement"

A copy of that title and summary and text of the proposed initiative is enclosed. Please contact me if you have questions.

Sincerely,

  
DAWN L. MCFARLAND  
Acting Initiative Coordinator

For KAMALA D. HARRIS  
Attorney General

DLM:

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

AUG 15 2011

VIA  
EMAIL

Debra Bowen, Secretary of State  
By   
Deputy Secretary of State

August 15, 2011  
Initiative 11-0018

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

**REQUIRES MINIMUM INVESTMENT BY PUBLIC PENSION OR RETIREMENT SYSTEMS IN CALIFORNIA BUSINESSES. INITIATIVE CONSTITUTIONAL**

**AMENDMENT.** Requires all State and local public pension or retirement systems to invest and maintain at least 85 percent of their assets in California businesses in which at least 70 percent of the employees are employed within California by January 1, 2016. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government:

**Potential increase in state and local pension contribution costs of billions of dollars per year (as measured in today's dollars), depending on how this measure is implemented.**

**Unknown, but likely not significant, net long-term change in state economic activity and related state and local revenues. (11-0018)**

Office of the Attorney General  
STATE CAPITOL  
Sacramento, CA. 95814

June 24, 2011

HONORABLE KAMALA HARRIS,

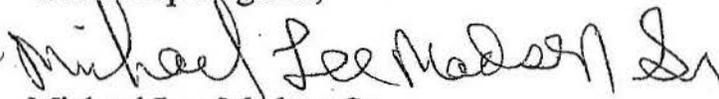
I am submitting an initiative, Public Employee Retirement, to your office to obtain a title and summary.

I am, also, enclosing the 200-dollar remittance to cover the expense of your continued processing of the initiative.

I would like this job and revenue-creating initiative to be on the ballot in November 2012 or sooner.

I am the guiding force behind this initiative, but the Legislative Counsel helped me draft the finalized version.

With Deep Regards,

  
Michael Lee Madsen Sr.

FORAMERICANOW@AOL.COM  
CRE8JOBS4USPLUS1@AOL.COM

11-0018

RECEIVED

JUN 24 2011

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

02/04/11 03:58 PM  
RN 11 00417 PAGE 1

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

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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 Constitution of California, relating to public employee retirement systems, 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 constitutional amendments (full title and text of measure) read as follows:

SECTION 1. The people of California find and declare as follows:

(a) California's public employee retirement systems need to focus on investing within the state in order to create employment opportunities and new revenue sources within this state.

(b) Investing public employee retirement funds in California-based businesses will reenergize the state and return it to its status as a respected worldwide competitor.

(c) Requiring public employee retirement systems to invest in California's businesses will provide an additional boost to California's economy that will enable the state to surmount the economic reversals of the past few years.

(d) Requiring public employee retirement systems to invest in California will send the message that the state government and its employees are doing their part to ensure California's financial recovery and future success.

SEC. 2. Section 17 of Article XVI of the California Constitution is amended to read:

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 the stock is so acquired or held for the purpose of furnishing a supply of water for public, municipal or governmental purposes; and the holding of the stock shall entitle the holder thereof to all of the rights, powers and privileges, and shall subject the 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 the stock is so held.

Notwithstanding any other provisions of law or this Constitution to the contrary, the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system, subject to all of the following:

(a) The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

(b) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.

(c) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(d) (1) The members of the retirement board of a public pension or retirement system shall, on and after January 1, 2016, invest and maintain at least 85 percent of the system's assets in California-based businesses and shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

(2) As used in this subdivision, the term "California-based businesses" shall mean a business in which at least 70 percent of its employees are employed within California.

(e) The retirement board of a public pension or retirement system, consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.

(f) With regard to the retirement board of a public pension or retirement system ~~which that~~ includes in its composition elected employee members, the number, terms, and method of selection or removal of members of the retirement board ~~which that~~ were required by law or otherwise in effect on July 1, 1991, shall not be changed, amended, or modified by the Legislature unless the change, amendment, or modification enacted by the Legislature is ratified by a majority vote of the electors of the jurisdiction in which the participants of the system are or were, prior to retirement, employed.

(g) The Legislature may by statute continue to prohibit certain investments by a retirement board where it is in the public interest to do so, and provided that the prohibition satisfies the standards of fiduciary care and loyalty required of a retirement board pursuant to this section.

(h) As used in this section, the term ~~retirement board~~ “retirement board” shall mean the board of administration, board of trustees, board of directors, or other governing body or board of a public employees’ pension or retirement system; provided, however, that the term ~~retirement board~~ “retirement board” shall not be interpreted to mean or include a governing body or board created after July 1, 1991 ~~which that~~ does not administer pension or retirement benefits, or the elected legislative body of a jurisdiction ~~which that~~ employs participants in a public employees’ pension or retirement system.