



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

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July 24, 2012

County Clerk/Registrar of Voters (CC/ROV) Memorandum #12239

TO: All County Clerks/Registrars of Voters

FROM:   
Jennifer Luckie-Bratt  
Associate Elections Analyst

RE: General Election: Ballot Labels and Titles and Summaries

**SUBJECT TO CHANGE**

Attached are the English ballot labels and titles and summaries for Propositions 30 through 40 for the November 6, 2012, General Election.

These ballot labels and titles and summaries are currently on public display and are **subject to court-ordered changes through August 13, 2012.** We will advise you of any court-ordered changes by August 14, 2012. The translations for the ballot labels and titles and summaries will be forwarded separately.

If you have any questions, you may contact me by email at [jennifer.luckie-bratt@sos.ca.gov](mailto:jennifer.luckie-bratt@sos.ca.gov) or by phone at (916) 651-3734.

**BALLOT LABEL**

**TEMPORARY TAXES TO FUND EDUCATION. GUARANTEED LOCAL PUBLIC SAFETY FUNDING. INITIATIVE CONSTITUTIONAL AMENDMENT.** Increases taxes on earnings over \$250,000 for seven years and sales taxes by  $\frac{1}{4}$  cent for four years, to fund schools. Guarantees public safety realignment funding. Fiscal Impact: Increased state tax revenues through 2018-19, averaging about \$6 billion annually over the next few years. Revenues available for funding state budget. In 2012-13, planned spending reductions, primarily to education programs, would not occur.

**BALLOT TITLE AND SUMMARY**

**TEMPORARY TAXES TO FUND EDUCATION. GUARANTEED LOCAL PUBLIC SAFETY FUNDING. INITIATIVE CONSTITUTIONAL AMENDMENT.**

- Increases personal income tax on annual earnings over \$250,000 for seven years.
- Increases sales and use tax by  $\frac{1}{4}$  cent for four years.
- Allocates temporary tax revenues 89% to K-12 schools and 11% to community colleges.
- Bars use of funds for administrative costs, but provides local school governing boards discretion to decide, in open meetings and subject to annual audit, how funds are to be spent.
- Guarantees funding for public safety services realigned from state to local governments.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Additional state tax revenues of about \$6 billion annually from 2012-13 through 2016-17. Smaller amounts of additional revenue would be available in 2011-12, 2017-18, and 2018-19.
- These additional revenues would be available to fund programs in the state budget. Spending reductions of about \$6 billion in 2012-13, mainly to education programs, would not take effect.

**BALLOT LABEL**

**STATE BUDGET. STATE AND LOCAL GOVERNMENT. INITIATIVE  
CONSTITUTIONAL AMENDMENT AND STATUTE.** Establishes two-year state budget.  
Sets rules for offsetting new expenditures, and Governor budget cuts in fiscal emergencies.  
Local governments can alter application of laws governing state-funded programs. Fiscal  
Impact: Decreased state sales tax revenues of \$200 million annually, with corresponding  
increases of funding to local governments. Other, potentially more significant changes in state  
and local budgets, depending on future decisions by public officials.

**BALLOT TITLE AND SUMMARY**

**STATE BUDGET. STATE AND LOCAL GOVERNMENT. INITIATIVE  
CONSTITUTIONAL AMENDMENT AND STATUTE.**

- Establishes two-year state budget cycle.
- Prohibits Legislature from creating expenditures of more than \$25 million unless offsetting revenues or spending cuts are identified.
- Permits Governor to cut budget unilaterally during declared fiscal emergencies if Legislature fails to act.
- Requires performance reviews of all state programs.
- Requires performance goals in state and local budgets.
- Requires publication of bills at least three days prior to legislative vote.
- Allows local governments to alter how laws governing state-funded programs apply to them, unless Legislature or state agency vetoes change within 60 days.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Decreased state sales tax revenues of about \$200 million annually, with a corresponding increase of funding to certain local governments.
- Other, potentially more significant changes in state and local spending and revenues, the magnitude of which would depend on future decisions by public officials.

**BALLOT LABEL**

**POLITICAL CONTRIBUTIONS BY PAYROLL DEDUCTION. CONTRIBUTIONS TO CANDIDATES. INITIATIVE STATUTE.** Restricts unions from using payroll-deducted funds for political purposes. Applies same use restrictions to payroll deductions, if any, by corporations or government contractors. Restricts union and corporate contributions to candidates and their committees. Limits government contractor contributions to elected officers or their committees. Fiscal Impact: Increased costs to state and local government, potentially exceeding \$1 million annually, to implement and enforce the measure's requirements.

SUBJECT TO COURT  
ORDERED CHANGES

**BALLOT TITLE AND SUMMARY**

**POLITICAL CONTRIBUTIONS BY PAYROLL DEDUCTION. CONTRIBUTIONS TO CANDIDATES. INITIATIVE STATUTE.**

- Restricts unions from using payroll-deducted funds for political purposes. Applies same use restrictions to payroll deductions, if any, by corporations or government contractors.
- Permits voluntary employee contributions to employer-sponsored committee or union if authorized yearly, in writing.
- Prohibits unions and corporations from contributing directly or indirectly to candidates and candidate-controlled committees.
- Other political expenditures remain unrestricted, including corporate expenditures from available resources not limited by payroll deduction prohibition.
- Limits government contractor contributions to elected officers or officer-controlled committees.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Increased costs to state and local government—potentially exceeding \$1 million annually—to implement and enforce the measure's requirements.

**BALLOT LABEL**

**AUTO INSURANCE COMPANIES. PRICES BASED ON DRIVER'S HISTORY OF INSURANCE COVERAGE. INITIATIVE STATUTE.** Changes current law to allow insurance companies to set prices based on whether the driver previously carried auto insurance with any insurance company. Allows proportional discount for drivers with some prior coverage. Allows increased cost for drivers without history of continuous coverage. Fiscal Impact: Probably no significant fiscal effect on state insurance premium tax revenues.

**BALLOT TITLE AND SUMMARY**

**AUTO INSURANCE COMPANIES. PRICES BASED ON DRIVER'S HISTORY OF INSURANCE COVERAGE. INITIATIVE STATUTE.**

- Changes current law to allow insurance companies to set prices based on whether the driver previously carried auto insurance with any insurance company.
- Allows insurance companies to give proportional discounts to drivers with some history of prior insurance coverage.
- Will allow insurance companies to increase cost of insurance to drivers who have not maintained continuous coverage.
- Treats drivers with lapse as continuously covered if lapse is due to military service or loss of employment, or if lapse is less than 90 days.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Probably no significant fiscal effect on state insurance premium tax revenues.

**BALLOT LABEL**

**DEATH PENALTY. INITIATIVE STATUTE.** Repeals death penalty and replaces it with life imprisonment without possibility of parole. Applies retroactively to existing death sentences. Directs \$100 million to law enforcement agencies for investigations of homicide and rape cases. Fiscal Impact: Ongoing state and county criminal justice savings of about \$130 million annually within a few years, which could vary by tens of millions of dollars. One-time state costs of \$100 million for local law enforcement grants.

**BALLOT TITLE AND SUMMARY**

**DEATH PENALTY. INITIATIVE STATUTE.**

- Repeals death penalty as maximum punishment for persons found guilty of murder and replaces it with life imprisonment without possibility of parole.
- Applies retroactively to persons already sentenced to death.
- States that persons found guilty of murder must work while in prison as prescribed by the Department of Corrections and Rehabilitation, with their wages subject to deductions to be applied to any victim restitution fines or orders against them.
- Directs \$100 million to law enforcement agencies for investigations of homicide and rape cases.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- State and county savings related to murder trials, death penalty appeals, and corrections of about \$100 million annually in the first few years, growing to about \$130 million annually thereafter. This estimate could be higher or lower by tens of millions of dollars, largely depending on how the measure is implemented and the rate at which offenders would otherwise be sentenced to death and executed in the future.
- One-time state costs totaling \$100 million for grants to local law enforcement agencies to be paid over the next four years.

**BALLOT LABEL**

**HUMAN TRAFFICKING. PENALTIES. INITIATIVE STATUTE.** Increases prison sentences and fines for human trafficking convictions. Requires convicted human traffickers to register as sex offenders. Requires registered sex offenders to disclose Internet activities and identities. Fiscal Impact: Costs of a few million dollars annually to state and local governments for addressing human trafficking offenses. Potential increased annual fine revenue of a similar amount, dedicated primarily for human trafficking victims.

**BALLOT TITLE AND SUMMARY**

**HUMAN TRAFFICKING. PENALTIES. INITIATIVE STATUTE.**

- Increases criminal penalties for human trafficking, including prison sentences up to 15-years-to-life and fines up to \$1,500,000.
- Fines collected to be used for victim services and law enforcement.
- Requires person convicted of trafficking to register as sex offender.
- Requires sex offenders to provide information regarding Internet access and identities they use in online activities.
- Prohibits evidence that victim engaged in sexual conduct from being used against victim in court proceedings.
- Requires human trafficking training for police officers.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Increased costs, not likely to exceed a couple million dollars annually, to state and local governments for criminal justice activities related to the prosecution and incarceration of human trafficking offenders.
- Potential one-time local government costs of up to a few million dollars on a statewide basis, and lesser additional costs incurred each year, due to new mandatory human trafficking-related training requirements for law enforcement officers.
- Potential additional revenue from new criminal fines, likely a few million dollars annually, which would fund services for human trafficking victims and for law enforcement activities related to human trafficking.

**BALLOT LABEL**

**THREE STRIKES LAW. REPEAT FELONY OFFENDERS. PENALTIES.**

**INITIATIVE STATUTE.** Revises law to impose life sentence only when new felony conviction is serious or violent. May authorize re-sentencing if third strike conviction was not serious or violent. Fiscal Impact: Ongoing state correctional savings of around \$70 million annually, with even greater savings (up to \$90 million) over the next couple of decades. These savings could vary significantly depending on future state actions.

**BALLOT TITLE AND SUMMARY**

**THREE STRIKES LAW. REPEAT FELONY OFFENDERS. PENALTIES.  
INITIATIVE STATUTE.**

- Revises three strikes law to impose life sentence only when new felony conviction is serious or violent.
- Authorizes re-sentencing for offenders currently serving life sentences if third strike conviction was not serious or violent and judge determines sentence does not pose unreasonable risk to public safety.
- Continues to impose life sentence penalty if third strike conviction was for certain nonserious, non-violent sex or drug offenses or involved firearm possession.
- Maintains life sentence penalty for felons with nonserious, non-violent third strike if prior convictions were for rape, murder, or child molestation.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- State savings related to prison and parole operations of \$70 million annually on an ongoing basis, with even higher savings—up to \$90 million annually—over the next couple of decades. These estimates could be higher or lower by tens of millions of dollars depending on future state actions.
- One-time state and county costs of a few million dollars over the next couple of years for court activities related to the resentencing of certain offenders.

**BALLOT LABEL**

**GENETICALLY ENGINEERED FOODS. LABELING. INITIATIVE STATUTE.**

Requires labeling of food sold to consumers made from plants or animals with genetic material changed in specified ways. Prohibits marketing such food, or other processed food, as “natural.” Provides exemptions. Fiscal Impact: Increased annual state costs from a few hundred thousand dollars to over \$1 million to regulate the labeling of genetically engineered foods. Additional, but likely not significant, governmental costs to address violations under the measure.

**BALLOT TITLE AND SUMMARY**

**GENETICALLY ENGINEERED FOODS. LABELING. INITIATIVE STATUTE.**

- Requires labeling on raw or processed food offered for sale to consumers if made from plants or animals with genetic material changed in specified ways.
- Prohibits labeling or advertising such food, or other processed food, as “natural.”
- Exempts foods that are: certified organic; unintentionally produced with genetically engineered material; made from animals fed or injected with genetically engineered material but not genetically engineered themselves; processed with or containing only small amounts of genetically engineered ingredients; administered for treatment of medical conditions; sold for immediate consumption such as in a restaurant; or alcoholic beverages.

**Summary of Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:**

- Increased annual state costs ranging from a few hundred thousand dollars to over \$1 million to regulate the labeling of genetically engineered foods.
- Potential, but likely not significant, costs to state and local governments due to litigation resulting from possible violations of the requirements of this measure. Some of these costs would be supported by court filing fees that the parties involved in each legal case would be required to pay under existing law.

SUBJECT TO COURT  
ORDERED CHANGES

**BALLOT LABEL**

**TAX TO FUND EDUCATION AND EARLY CHILDHOOD PROGRAMS. INITIATIVE STATUTE.** Increases taxes on earnings using sliding scale, for twelve years. Revenues go to K-12 schools and early childhood programs, and for four years to repaying state debt. Fiscal Impact: Increased state tax revenues for 12 years—roughly \$10 billion annually in initial years, tending to grow over time. Funds used for schools, child care, and preschool, as well as providing savings on state debt payments.

SUBJECT TO COURT  
ORDERED CHANGES

**BALLOT TITLE AND SUMMARY**

**TAX TO FUND EDUCATION AND EARLY CHILDHOOD PROGRAMS. INITIATIVE STATUTE.**

- Increases personal income tax rates on annual earnings over \$7,316 using sliding scale from .4% for lowest individual earners to 2.2% for individuals earning over \$2.5 million, for twelve years.
- During first four years, allocates 60% of revenues to K-12 schools, 30% to repaying state debt, and 10% to early childhood programs. Thereafter, allocates 85% of revenues to K-12 schools, 15% to early childhood programs.
- Provides K-12 funds on school-specific, per-pupil basis, subject to local control, audits, and public input.
- Prohibits state from directing new funds.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Increase in state personal income tax revenues from 2013 through 2024. The increase would be roughly \$10 billion in 2013-14, tending to increase over time. The 2012-13 increase would be about half this amount.
- In each of the initial years, about \$6 billion would be used for schools, \$1 billion for child care and preschool, and \$3 billion for state savings on debt payments. The 2013-14 amounts likely would be higher due to the additional distribution of funds raised in 2012-13.
- From 2017-18 through 2024-25, the shares spent on schools, child care, and preschool would be higher and the share spent on debt payments lower.

**BALLOT LABEL**

**TAX TREATMENT FOR MULTISTATE BUSINESSES. CLEAN ENERGY AND ENERGY EFFICIENCY FUNDING. INITIATIVE STATUTE.** Requires multistate businesses to pay income taxes based on percentage of their sales in California. Dedicates revenues for five years to clean/efficient energy projects. Fiscal Impact: Increased state revenues of \$1 billion annually, with half of the revenues over the next five years spent on energy efficiency projects. Of the remaining revenues, a significant portion likely would be spent on schools.

**BALLOT TITLE AND SUMMARY**

**TAX TREATMENT FOR MULTISTATE BUSINESSES. CLEAN ENERGY AND ENERGY EFFICIENCY FUNDING. INITIATIVE STATUTE.**

- Requires multistate businesses to calculate their California income tax liability based on the percentage of their sales in California.
- Repeals existing law giving multistate businesses an option to choose a tax liability formula that provides favorable tax treatment for businesses with property and payroll outside California.
- Dedicates \$550 million annually for five years from anticipated increase in revenue for the purpose of funding projects that create energy efficiency and clean energy jobs in California.

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:**

- Approximately \$1 billion in additional annual state revenues—growing over time—from eliminating the ability of multistate businesses to choose how their California taxable income is determined. This would result in some multistate businesses paying more state taxes.
- Of the revenue raised by this measure over the next five years, about half would be dedicated to energy efficiency and alternative energy projects.
- Of the remaining revenues, a significant portion likely would be spent on public schools and community colleges.

**BALLOT LABEL**

**REDISTRICTING. STATE SENATE DISTRICTS. REFERENDUM.** A “Yes” vote approves, and a “No” vote rejects, new State Senate districts drawn by the Citizens Redistricting Commission. If rejected, districts will be adjusted by officials supervised by the California Supreme Court. **Fiscal Impact:** Approving the referendum would have no fiscal impact on the state and local governments. Rejecting the referendum would result in a one-time cost of about \$1 million to the state and counties.

**BALLOT TITLE AND SUMMARY**

**REDISTRICTING. STATE SENATE DISTRICTS. REFERENDUM.**

- A “Yes” vote approves, and a “No” vote rejects, new State Senate districts drawn by the Citizens Redistricting Commission.
- If the new districts are rejected, the State Senate district boundary lines will be adjusted by officials supervised by the California Supreme Court.
- State Senate districts are revised every 10 years following the federal census.

**Summary of Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:**

- If the voters vote “yes” and approve the state Senate district maps certified by the Citizens Redistricting Commission, there would be no fiscal effect on state or local governments.
- If the voters vote “no” and reject the state Senate district maps certified by the Citizens Redistricting Commission, the state would incur a one-time cost of about \$500,000 to establish new Senate districts. Counties would incur one-time costs of about \$500,000 statewide to develop new precinct maps and related election materials for the new districts.