



DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS

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July 22, 2014

County Clerk/Registrar of Voters (CC/ROV) Memorandum #14188

TO: All County Clerks/Registrars of Voters

FROM: /s/ Jennifer Luckie-Bratt
Translations Coordinator

RE: General Election: Ballot Labels and Titles and Summaries

SUBJECT TO CHANGE

Attached are the English ballot labels and titles and summaries for Propositions 43 through 49 for the November 4, 2014, General Election.

These ballot labels and titles and summaries are currently on public display and are **subject to court-ordered changes through August 11, 2014**. We will advise you of any court-ordered changes by August 12, 2014. 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 or by phone at (916) 651-3734.

BALLOT LABEL

WATER BOND. FUNDING FOR WATER QUALITY, SUPPLY, TREATMENT, AND STORAGE PROJECTS. Authorizes \$11.14 billion in general obligation bonds for state water supply infrastructure projects, including surface and groundwater storage, ecosystem and watershed protection and restoration, and Bay-Delta Estuary sustainability. Fiscal Impact: Increased state bond costs averaging \$560 million annually over 40 years. Local government savings for water-related projects, likely averaging a couple hundred million dollars annually over the next few decades.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT TITLE AND SUMMARY

WATER BOND. FUNDING FOR WATER QUALITY, SUPPLY, TREATMENT, AND STORAGE PROJECTS.

- Authorizes \$11.14 billion in general obligation bonds for state water supply infrastructure projects, such as surface and groundwater storage; ecosystem and watershed protection and restoration; Bay-Delta Estuary sustainability; drinking water protection; water recycling and advanced water treatment technology; water supply management and conveyance; drought relief; wastewater treatment; emergency water supplies; and public water system improvements.
- Appropriates money from the General Fund to pay off bonds.
- Requires certain projects to provide matching funds from non-state sources in order to receive bond funds.

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

- Increased state bond repayment costs averaging \$560 million annually over the next 40 years. Increased state costs, possibly in the low tens of millions of dollars annually, to operate and maintain projects built with these bond funds.
- Savings to local governments related to water projects, likely averaging a couple hundred million dollars annually over the next few decades.

State Bond Cost Estimates	
Authorized borrowing	\$11.1 billion
Average annual cost to pay off bonds	\$560 million
Likely repayment period	40 years
Source of repayment	General tax revenues

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT LABEL

STATE BUDGET. BUDGET STABILIZATION ACCOUNT. LEGISLATIVE CONSTITUTIONAL AMENDMENT. Requires annual transfer of state general fund revenues to budget stabilization account. Requires half the revenues be used to repay state debts. Limits use of remaining funds to emergencies or budget deficits. Fiscal Impact: Long-term state savings from faster payment of existing debts. Different levels of state budget reserves, depending on economy and decisions by elected officials. Smaller local reserves for some school districts.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT TITLE AND SUMMARY

**STATE BUDGET. BUDGET STABILIZATION ACCOUNT. LEGISLATIVE
CONSTITUTIONAL AMENDMENT.**

- Requires annual transfer of 1.5% of general fund revenues to state budget stabilization account.
- Requires additional transfer of personal capital gains tax revenues exceeding 8% of general fund revenues to budget stabilization account and, under certain conditions, a dedicated K-14 school reserve fund.
- Requires that half the budget stabilization account revenues be used to repay state debts and unfunded liabilities.
- Allows limited use of funds in case of emergency or if there is a state budget deficit.
- Caps budget stabilization account at 10% of general fund revenues, directs remainder to infrastructure.

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

- Some existing state debts would be paid down faster, resulting in long-term savings for the state.
- Changes in the level of state budget reserves, which would depend on the economy and future decisions by the Governor and the Legislature.
- Reserves kept by some school districts would be smaller.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT LABEL

HEALTHCARE INSURANCE. RATE CHANGES. INITIATIVE STATUTE.

Requires Insurance Commissioner's approval before health insurer can change its rates or anything else affecting the charges associated with health insurance. Provides for public notice, disclosure, and hearing, and subsequent judicial review. Exempts employer large group health plans. Fiscal Impact: Increased state administrative costs to regulate health insurance, likely not exceeding the low millions of dollars annually in most years, funded from fees paid by health insurance companies.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT TITLE AND SUMMARY

HEALTHCARE INSURANCE. RATE CHANGES. INITIATIVE STATUTE.

- Requires changes to health insurance rates, or anything else affecting the charges associated with health insurance, to be approved by Insurance Commissioner before taking effect.
- Provides for public notice, disclosure, and hearing on health insurance rate changes, and subsequent judicial review.
- Requires sworn statement by health insurer as to accuracy of information submitted to Insurance Commissioner to justify rate changes.
- Does not apply to employer large group health plans.
- Prohibits health, auto, and homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history.

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

- Increased state administrative costs to regulate health insurance, likely not exceeding the low millions of dollars annually in most years, funded from fees paid by health insurance companies.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT LABEL

DRUG AND ALCOHOL TESTING OF DOCTORS. MEDICAL NEGLIGENCE LAWSUITS. INITIATIVE STATUTE. Requires drug testing of doctors. Requires review of statewide prescription database before prescribing controlled substances. Increases \$250,000 pain/suffering cap in medical negligence lawsuits for inflation. Fiscal Impact: State and local government costs from raising the cap on medical malpractice damages ranging from tens of millions to several hundred million dollars annually, offset to some extent by savings from requirements on health care providers.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT TITLE AND SUMMARY

DRUG AND ALCOHOL TESTING OF DOCTORS. MEDICAL NEGLIGENCE LAWSUITS. INITIATIVE STATUTE.

- Requires drug and alcohol testing of doctors and reporting of positive test to the California Medical Board.
- Requires Board to suspend doctor pending investigation of positive test and take disciplinary action if doctor was impaired while on duty.
- Requires doctors to report any other doctor suspected of drug or alcohol impairment or medical negligence.
- Requires health care practitioners to consult state prescription drug history database before prescribing certain controlled substances.
- Increases \$250,000 cap on pain and suffering damages in medical negligence lawsuits to account for inflation.

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

- Increased state and local government health care costs from raising the cap on medical malpractice damages, likely ranging from the tens of millions of dollars to several hundred million dollars annually.
- Uncertain, but potentially significant, state and local government savings from new requirements on health care providers, such as provisions related to prescription drug monitoring and alcohol and drug testing of physicians. These savings would offset to some extent the health care costs noted above.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT LABEL

CRIMINAL SENTENCES. MISDEMEANOR PENALTIES. INITIATIVE STATUTE.

Requires misdemeanor sentence instead of felony for certain drug and property offenses. Inapplicable to persons with prior conviction for serious or violent crime and registered sex offenders. Fiscal Impact: State and county criminal justice savings potentially in the high hundreds of millions of dollars annually. State savings spent on school truancy and dropout prevention, mental health and substance abuse treatment, and victim services.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT TITLE AND SUMMARY

CRIMINAL SENTENCES. MISDEMEANOR PENALTIES. INITIATIVE STATUTE.

- Requires misdemeanor sentence instead of felony for certain drug possession offenses.
- Requires misdemeanor sentence instead of felony for the following crimes when amount involved is \$950 or less: petty theft, receiving stolen property, and forging/writing bad checks.
- Allows felony sentence for these offenses if person has previous conviction for crimes such as rape, murder, or child molestation or is registered sex offender.
- Requires resentencing for persons serving felony sentences for these offenses unless court finds unreasonable public safety risk.
- Applies savings to mental health and drug treatment programs, K-12 schools, and crime victims.

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

- Net state criminal justice system savings that could reach the low hundreds of millions of dollars annually. These savings would be spent on school truancy and dropout prevention, mental health and substance abuse treatment, and victim services.
- Net county criminal justice system savings that could reach several hundred million dollars annually.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT LABEL

INDIAN GAMING COMPACTS. REFERENDUM. A “Yes” vote approves, and a “No” vote rejects, tribal gaming compacts between the state and the North Fork Rancheria of Mono Indians and the Wiyot Tribe. Fiscal Impact: One-time payments (\$16 million to \$35 million) and for 20 years annual payments (\$10 million) from Indian tribes to state and local governments to address costs related to the operation of a new casino.

BALLOT TITLE AND SUMMARY

INDIAN GAMING COMPACTS. REFERENDUM.

A “Yes” vote approves, and a “No” vote rejects, a statute that:

- Ratifies tribal gaming compacts between the state and the North Fork Rancheria of Mono Indians and the Wiyot Tribe.
- Omits certain projects related to executing the compacts or amendments to the compacts from scope of the California Environmental Quality Act.

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

- One-time payments between \$16 million and \$35 million from the North Fork tribe to local governments in the Madera County area to address costs related to the operation of a new casino.
- Annual payments over a 20-year period averaging around \$10 million from the North Fork tribe to the state and local governments in the Madera County area to address costs related to the operation of a new casino.
- Increased revenue from economic growth in the Madera County area generally offset by revenue losses from decreased economic activity in surrounding areas.

BALLOT LABEL

CORPORATIONS. POLITICAL SPENDING. FEDERAL CONSTITUTIONAL PROTECTIONS. LEGISLATIVE ADVISORY QUESTION. Asks whether the United States Congress and California Legislature should approve an amendment to the federal Constitution overturning the United States Supreme Court decision in *Citizens United v. Federal Election Commission*. *Citizens United* ruled that laws placing certain limits on political spending by corporations and unions are unconstitutional. Fiscal Impact: No direct fiscal effect on state or local governments.

**SUBJECT TO COURT
ORDERED CHANGES**

BALLOT TITLE AND SUMMARY

CORPORATIONS. POLITICAL SPENDING. FEDERAL CONSTITUTIONAL PROTECTIONS. LEGISLATIVE ADVISORY QUESTION.

- Asks whether the United States Congress and California Legislature should approve an amendment to the federal Constitution overturning the United States Supreme Court decision in *Citizens United v. Federal Election Commission*.
- *Citizens United* ruled that laws placing certain limits on political spending by corporations and unions are unconstitutional.
- States that the proposed amendment should clarify that the federal Constitution protects the rights of individuals only, not corporations.

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

- No direct fiscal effect on state or local governments.

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