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January 22, 2004

VIA FEDEX

Office of the Attorney General
State of California
Attention: Ms. Tricia Knight,
Initiative Coordinator
1300 I Street
Sacramento, California 95814

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary of Proposed Initiative:
California Home Rule Amendment of 2004

Dear Ms. Knight:

Pursuant to Section 10(d) of Article II of the California Constitution, and Section 9002 of the Elections Code, I am submitting a constitutional and statutory initiative measure, entitled the "California Home Rule Amendment of 2004," and requesting that your office prepare a title and summary of the measure as provided by law.

Enclosed please find (1) the text of the measure, (2) a check for \$200.00 as required by Section 9004 of the Elections Code, and (3) the signed statement required by Section 9608 of the Elections Code.

All inquiries and correspondence relating to the measure should be directed to:

John A. Ramirez
Rutan & Tucker, LLP
Post Office Box 1950
Costa Mesa, California 92628-1950
telephone: (714) 641-5100
facsimile: (714) 546-9035

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Thank you for your attention to this matter.

Sincerely,

RUTAN & TUCKER, LLP

~~Joni~~ A. Ramirez

Enclosures

SA2004RF0006



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STATEMENT REQUIRED PURSUANT TO ELECTIONS CODE SECTION 9608

I, John Ramirez, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

John A. Ramirez

Dated this 22nd day of January, 2004

Text of Proposed Law

CALIFORNIA HOME RULE AMENDMENT

CONSTITUTIONAL AMENDMENT AND STATUTE

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative expressly amends the Constitution by adding sections thereto and amending and repealing sections thereof, and adds sections to and amends and repeals provisions of the Government Code and the Revenue and Taxation Code. Existing provisions proposed to be deleted are printed in ~~strikeout type~~, and new provisions proposed to be added are printed in *italic type* to indicate they are new.

SECTION 1. Title. This measure shall be known and may be cited as the "California Home Rule Amendment."

SECTION 2. Findings and declarations. The people find and declare as follows:

(a) People have the most power to control government at the local level. This is the essence of home rule.

(b) Local government is far more efficient and responsible than state government in the use of tax revenues.

(c) Police protection, fire protection, public health, libraries, transportation, housing, and other important local community services must have an adequate, reliable, and guaranteed source of funding.

(d) Historically, local property taxes were used to pay for local community services. These local taxes have been taken by the state government, leaving local governments with a very small share of local property taxes, only 16 percent on average.

(e) Allowing local communities to keep more of their property taxes will safeguard funds for police and fire protection and other vital services.

(f) Making property taxes the principal source of local government revenues will require new residents in a community to pay their fair share of police, fire, parks,

health care, and other municipal services by contributing their property taxes to the city and county where they live.

(g) The State Legislature has approved laws that divert, use, or delay the payment of local tax revenues to cities and counties, which threatens funding for public safety, public health, parks, libraries, street maintenance, housing, and economic development. This practice must end.

(h) The State also must reimburse local governments when any new program or higher level of service is mandated, and when revenues previously allocated to local government are reallocated or redistributed to a state-created fund.

SECTION 3. Repeal of Section 15 of Article XI of Constitution.

Section 15 of Article XI of the Constitution is repealed:

~~Section 15. (a) All revenues from taxes imposed pursuant to the Vehicle License Fee Law, or its successor, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, shall be allocated to counties and cities according to statute.~~

~~(b) This section shall apply to those taxes imposed pursuant to that law on and after July 1 following the approval of this section by the voters.~~

SECTION 4. Addition of Section 16 to Article XI of Constitution.

Section 16 is added to Article XI of the Constitution to read in its entirety as follows:

Section 16. (a) The property tax revenues that are collected by counties pursuant to subdivision (a) of Section 1 of Article XIII A of the Constitution for allocation to each city, city and county, and county shall be apportioned by county auditors to each city, city and county, and county according to this section, other applicable provisions of the California Home Rule Amendment, and other laws implementing the provisions of the California Home Rule Amendment for the purpose of effecting the transfers and allocations of revenues required pursuant to the California Home Rule Amendment.

(b) For the 2005-06 fiscal year, each city, city and county, and county shall receive property tax revenues in the amounts as set forth in other applicable provisions of the California Home Rule

Amendment and other laws implementing the provisions of the California Home Rule Amendment.

(c) For the 2006-07 and the 2007-08 fiscal years, each city, city and county, and county shall receive property tax revenues in the amounts not less than those specified in other applicable provisions of the California Home Rule Amendment and other laws implementing the provisions of the California Home Rule Amendment.

(d) No provision of the California Home Rule Amendment, unless otherwise expressly stated, shall interfere with the year-to-year allocation of property tax revenues specified in otherwise applicable provisions of the Revenue and Taxation Code, including but not limited to Section 96.1.

(e) No provision of the California Home Rule Amendment shall restrict the power of the Legislature to increase the allocation of property tax revenues to cities, cities and counties, and counties.

SECTION 5. Amendment of Section 24 of Article XIII of Constitution.

Section 24 of Article XIII of the Constitution is amended to read in its entirety as follows:

Section 24. *(a) The Legislature may not impose taxes for local purposes but may authorize local governments to impose them.*

(b) Money appropriated from state funds to a local government for its local purposes may be used as provided by law.

(c) The Legislature may not take any action that:

(1) Reduces, suspends, or delays the receipt of any city's, city and county's, or county's proportionate share of ad valorem taxes on real property and tangible personal property apportioned pursuant to Section 1 of Article XIII A; or

(2) Requires any city, city and county, or county to remit its proportionate share of ad valorem taxes on real property and tangible personal property to the state, to a state-created fund, or, without the consent of the affected local government, to another local government; or