

1962

## COMPENSATION OF LEGISLATORS

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**COMPENSATION OF LEGISLATORS. Assembly Constitutional Amendment**

**No. 9.** Provides salaries of members of the Legislature shall not exceed amount established by law nor exceed an annual amount of one-half of the annual salary of a member of Congress in effect on January 1, 1962. Provides that any change in compensation under this amendment shall not be considered in computing retirement benefits. Amendment effective January 1, 1963.

**YES****NO**

For Full Text of Measure, See Page 2, Part II

**Analysis by the Legislative Counsel**

This measure would amend subdivision (b) of Section 2 of Article IV of the Constitution, which now fixes the salary of Members of the Legislature at \$500 for each month of the term for which they are elected. The amendment would permit legislators' salaries to be fixed by law at an amount not in excess of half the annual salary of a Member of Congress in effect on January 1, 1962. It would also prevent any future change in legislators' salaries from increasing or decreasing legislators' retirement benefits. The amendment would go into effect on January 1, 1963.

Proposition No. 17 also would amend subdivision (b) of Section 2 of Article IV. The two measures are therefore in conflict and if both are adopted by the voters, the one receiving the vote will prevail.

**Argument in Favor of Proposition No. 1**

This measure would change the compensation of members of the Legislature from \$500 per month to a statutory amount not to exceed one-half the annual salary of members of Congress in effect on January 1, 1962 (one-half of \$22,500). Just as Congress is the supreme legislative body of the United States, so is the Legislature the supreme legislative body of California. However, congressional salaries are set by federal statute; legislative salaries in California are frozen in the State Constitution.

The tasks of legislators have grown in volume and complexity in recent years, but legislative salaries have not been increased since 1954. They enact legislation affecting the lives of 17,000,000 people and pass upon a budget of nearly \$3 billion annually. When the legislature is not in session they must devote substantial time to statewide interim committee hearings on the need for new legislation and in serving their constituents.

Men and women with the knowledge, education, and experience required to make them valuable members of the Legislature are able to draw far higher salaries in private industry. While the satisfaction of public service, well performed, is rewarding, it will not pay the family's bills.

The Citizens Legislative Advisory Commission determined, on the basis of a professional analysis of the workload of the Legislature in 1957-58, that almost all legislators spend three fourths or more of their time on official duties and that their designation as a "part-time legis-

lator" was no longer factual. To expect them also to earn a living at their own business or profession is unreasonable and forces an unnecessary personal burden on the members.

The Legislature should be broadly representative in its membership of various interests and classes, opinions and occupations, ages and sources of income. To pay legislators less than a fair salary is to discourage from running for this office any person who cannot leave his business or profession for many months each year without endangering his income, or else encourages principally one who is either independently wealthy or is on retirement pay. Such a situation endangers the truly representative character of the Legislature.

Legislative salaries amount to less than 1/30th of 1 percent of the state budget. They are far below those paid in the coequal judicial and executive branches of state government. Even with the proposed maximum increase allowable, they will be less than half the average salaries of judges and department heads.

The measure provides that any change in compensation will not be applied to the formula used to compute retirement benefits under the Legislators' Retirement Law. Benefits payable would still be computed on the present compensation of \$500 per month for retired members of the Legislature, and also for members who are members on or after the operative date of the measure and who subsequently retire.

Compensatory adjustment is generally acknowledged to be long overdue to the membership of the California Legislature. The privilege of service should not entail financial penalty.

Vote YES on Proposition 1.

VERNON KILPATRICK  
Assemblyman, 55th District

FRANK LANTERMAN  
Assemblyman, 48th District

**Argument Against Proposition No. 1**

Although repeatedly rejected by the overwhelming majority of voters at prior elections, pay increases for members of the Legislature are here sought by subterfuge. This proposal even does not mention the amount of the pay increase which would be authorized by the proposed Constitutional amendment. Cleverly, this measure is worded so as to "limit" the pay of an assemblyman or senator to "one-half that received by a United States Congressman." What this language really means, if this pro-

posal is approved, is that our legislators in Sacramento at once could add \$5,250 annually to their own pay. Their base pay now is \$6,000 per year for only a few months work yearly. Because very generous expense allowances make the amount already received per legislator almost double his base pay, the total compensation allowable should Proposition 1 be approved by the voters would be close to \$17,000 annually. Also, most members of the Legislature conduct their own businesses or professions in addition to their service with the Legislature.

The Legislature already has voted itself a most generous pension benefit. Members with long service can even retire at full pay. For every dollar legislators contribute to their own retirement, taxpayers now contribute four dollars.

In total, during just the last five years, our state legislators have approved increased spending by the State that exceeded new reve-

nues by \$150,000,000 and did so in spite of fact that heavy new taxes, combined with higher revenues produced by existing taxes, increased total state tax collections in 1959 by more than \$270,000,000.

Again and again the Legislature over protest has adopted new tax spending programs, building up a grave threat to the taxpayers of 1964, 1965, 1966 and the succeeding years immediately ahead of us.

We feel that any approval of a salary increase would be taken by legislators as voter approval of this spending program.

We urge a NO vote on Proposition 1.

PROPERTY OWNERS TAX  
ASSOCIATION OF CALIFORNIA

PAUL SHEEDY  
Executive Vice President

MELVIN HORTON  
Secretary

**VETERANS' TAX EXEMPTION IN HOUSING PROJECT. Assembly Constitutional Amendment No. 70.** Provides that "property" subject to veterans' tax exemption shall include single-family dwelling owned by a nonprofit co-operative ownership housing corporation or trust under National Housing Act, if occupied under "occupancy agreement" by a person entitled to veterans' exemption who has an interest in the corporation or trust which is represented by a membership or share certificate.

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YES

NO

For Full Text of Measure, See Page 3, Part II

**Analysis by the Legislative Counsel**

This measure would add a new Section 11 1/4 to Article XIII of the Constitution. It would permit the veterans tax exemption to be applied to specified property occupied under an "occupancy agreement" by a person eligible for the exemption. The property must consist of a single-family dwelling owned by a nonprofit cooperative ownership housing corporation or trust as part of a housing project organized and operated under the National Housing Act, and the occupant eligible for the exemption must have a membership or share certificate representing an interest in the corporation or trust. Under present law the veterans exemption may be applied only to property owned by the person eligible for the exemption.

**Argument in Favor of Proposition No. 2**

This amendment is necessary as a measure of equity for a small number of veterans unable to qualify for a veteran's exemption. These veterans are purchasers of homes whereby the financing was developed under section 213, title 2 of the National Housing Act. This financing is, in effect, in the form of a non-profit cooperative where each owner buys a house under an "occupancy agreement". The entire subdivi-

sion is under a single Deed of Trust. Because of the wording of the present constitutional section, these persons who would otherwise be qualified for a veteran's exemption, have been unable to satisfy the requirements of being the "legal owner" of interest in his home. As a practical matter, a veteran makes his individual payment on his home and pays his individual property tax on it through a cooperative corporation. The passage of this amendment would effect approximately 14,000 single dwelling units financed in this manner.

ACA 70 defines "property" for the purpose of the exemption as including a single-family dwelling owned by a nonprofit co-operative ownership housing corporation or trust as part of a housing project organized and operated under the National Housing Act, if the dwelling is occupied by a person otherwise qualified for the exemption who has an interest in the corporation or trust represented by a membership or share certificates.

If they are otherwise qualified, it is my recommendation these veterans receive equal treatment in having the opportunity for the veteran's exemption.

I urge a "yes" vote on ACA 70.

BERT DeLOT  
Assemblyman

only for the purposes specified in this act and only pursuant to appropriation heretofore or hereafter made by the Legislature in the manner hereinafter prescribed.

Sec. 6. A section shall be included in the Budget Bill for each fiscal year bearing the caption State Construction Bond Act Program. Said section shall contain proposed appropriations for the program contemplated by this act. No funds derived from the bonds authorized by this act may be expended pursuant to an appropriation unless the appropriation is contained in said section of the Budget Act of 1962 or in said section of any subsequent budget act. For this purpose this act may be cited as the State Construction Program Bond Act of 1962. The Department of Finance, which is hereby designated as the board for the purposes of this act, shall annually total the Budget Act appropriations referred to in this section and, pursuant to Section 16730 of the Government Code, request the State Construction Program Committee to cause bonds to be issued and sold in quantities sufficient to carry out the projects for which such appropriations were made.

Sec. 7. For the purposes of carrying out the provisions of this act the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized to be sold for the purpose of carrying out this act. Any amounts withdrawn shall be deposited in the State Construction Program Fund. Any moneys made available under this section to the board shall be returned by the board to the General

Fund from moneys received from the sale of bonds sold for the purpose of carrying out this act, together with interest at the rate of interest fixed in the bonds so sold.

Sec. 8. The bonds authorized by this act shall be prepared, executed, issued, sold, paid and redeemed as provided in the State General Obligation Bond Law (Chapter 4 of Part 3, Division 4, Title 2 of the Government Code), and all of the provisions of said law are applicable to said bonds and to this act, and are hereby incorporated in this act as though set forth in full herein.

Sec. 9. The State Construction Program Committee is hereby created. The committee shall consist of the Governor, the State Controller, the State Treasurer, the Director of Finance, and the Director of Public Works. For the purpose of this act the State Construction Program Committee shall be "the committee" as that term is used in the State General Obligation Bond Law.

Sec. 10. Out of the first money realized from the sale of bonds issued pursuant to this act there shall be redeposited to the credit of the appropriation made by subdivision (b) of Section 4 of this act such sums as have been expended for the purposes specified in said subdivision (b) of Section 4. The amounts so redeposited may be used for the same purposes whenever additional sales of bonds are made pursuant to this act. When all the bonds authorized by this act have been sold, the unexpended and unobligated balance of the appropriation made by subdivision (b) of Section 4 of this act, shall revert to the General Fund.

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YES

NO

(This proposed amendment expressly amends an existing section of the Constitution; therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.

**PROPOSED AMENDMENT TO ARTICLE IV**

That the Constitution of the State be amended by amending the first paragraph of subdivision (b) of Section 2 of Article IV thereof, to read:

(b) Each Member of the Legislature shall receive for his services the sum of five hundred dollars (\$500) for each month of the term for which he is elected.

(b) Salaries of Members of the Legislature shall not exceed an amount established by law, and in any event shall not exceed an annual

amount equal to one-half of the annual salary of a Member of the Congress of the United States in effect on January 1, 1962. Such salary shall be payable monthly during the term for which the Member of the Legislature is elected.

Notwithstanding any other provision of this Constitution or of law, the amount of any change in the compensation of Members of the Legislature resulting from the amendment to this subdivision as proposed by the Legislature at its 1962 First Extraordinary Session shall not be considered in computing benefits under the Legislators' Retirement System with respect to the service of any person and any benefits payable under that system shall not be decreased or increased as the result of such change in the amount of compensation.

This provision shall become effective January 1, 1963.