

1962

WORKMEN'S COMPENSATION

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**ARTIFICIAL CONCEPTS OF ASSESS-
MENT VALUES SHOULD BE REJECTED
IN THE INTEREST OF FAIR AND EQU-
TABLE TAX POLICY!**

If YOU believe in tax equalization, with everyone paying his FAIR SHARE of the costs of government, then—

VOTE "NO" ON PROPOSITION NO. 4.

JOHN A. O'CONNELL
Assemblyman
Twenty-Third District

RICHARD NEVINS
Member, State Board of Equalization
Fourth District

WORKMEN'S COMPENSATION. Assembly Constitutional Amendment No. 72.

5

Grants Legislature power to provide for award to the State in the case of accidental death of an employee without dependents; and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer.

YES	
NO	

For Full Text of Measure, See Page 4, Part II

Analysis by the Legislative Counsel

This constitutional amendment would amend Section 21 of Article XX of the Constitution relative to Workmen's Compensation. The amendment would authorize the Legislature to enact laws which would require an employer to pay workmen's compensation accidental death benefits to the State where there is no surviving dependent of the employee to whom such a benefit can be paid. The amendment would also permit legislation which would use the money derived from such payments to the State for paying extra workmen's compensation to an employee who has suffered successive injuries, the combined effect of which injuries is to produce a disability greater than any or all of the employee's employers can be required to compensate him for.

Argument in Favor of Proposition No. 5

A YES vote on this constitutional amendment will free the general taxpayers of California from the unnecessary and illogical payment of part of the costs of workers disability insurance.

The taxpayers of California and of only one other state now pay these costs. A YES vote will permit California to adopt the financing system now in use in most states.

Since 1911 the State Constitution has required employers to insure their employees for injuries suffered on the job. This insurance is a normal cost of doing business. It benefits employers by reducing their maximum liability. Awards are made to employees, or their next of kin in case of death, based on the seriousness of their injuries.

This constitutional amendment is designed to correct the problem which arises when a worker is hurt a second or third time. The combined effect of two injuries, perhaps suffered years apart, may be far more serious than the effects of the injuries if considered individually. For example, the loss of an arm is a real disaster to a one armed man. In this example the worker was paid the scheduled award for loss of his first arm under workmens compensation. He was not totally disabled. Several years later he may lose his other arm and would be eligible again for another loss of

arm award. But this second award would not be adequate to reflect the true extent of his handicap.

California and other states pay extra compensation awards for the combined effect of the multiple injuries. These "subsequent injury" cases will cost the State's taxpayers about \$883,000 this year since California is meeting these costs from general tax sources.

Most of the other states use systems similar to the one proposed in this constitutional amendment to pay these costs.

This amendment would permit the legislature to provide that in the case of the accidental death of an employee who has no dependents, his workmen's compensation award would be paid to the State. From these funds the "subsequent injury" payments could be financed and the taxpayers relieved of this burden. Under the present law a workmen's compensation award is not paid to anyone if the victim had no dependents and the normal award is retained by the insurance carrier with resulting insurance rate savings for the employer in such cases.

The proposed amendment does not change in any respect the existing law relating to liability and awards for subsequent injuries, nor the law relating to industrial accident awards, except in the "no dependency" death cases.

This same plan has been tested and proven in other states. It would not reduce in the slightest the employee's rights under workmen's compensation, but would guarantee sound financing for "subsequent injury" disabilities.

This category of awards now is a burden on all California taxpayers. A YES vote on this constitutional amendment will place all of the costs of workmens compensation where the original constitutional provision intended and will relieve the burden on the taxpayers.

JESSE M. UNRUH
Speaker of the Assembly
Assemblyman for the 65th District

LLOYD W. LOWREY
Assemblyman for the 3rd District

RONALD BROOKS CAMERON
Assemblyman for the 50th District

Argument Against Proposition No. 5

This constitutional amendment would add substantially to the cost of providing supplementary benefits in "second injury" cases, without in any way increasing those benefits or reducing taxes. The real effect of this constitutional amendment would be to contribute further toward the inflation of consumer costs for both goods and services in the State of California.

The Workmen's Compensation Law of California already provides a "subsequent injury" fund to finance supplementary benefits in cases where a second injury combines with a serious pre-existing disability to cause total, or nearly total, disability. In a very large proportion of such cases, the pre-existing disability was not the result of an on-the-job injury, but was caused by a birth defect, illness, off-the-job injury, or advancing years. The cost of "subsequent injury" benefits was approximately \$875,000 for last year, or approximately three ten-thousandths of the State's budget.

For many years, employers in California have been required by law to carry Workmen's Compensation Insurance, to provide benefits for employees injured on the job. The cost of such insurance is a part of the cost of doing business. Each manufacturer, wholesaler, retailer, and each operator of a service or entertainment business, must pass on to his customers his cost of doing business, plus a reasonable profit, if he is to survive and remain in business. Thus, if "subsequent injuries" benefits

are estimated at \$875,000 per year, and if this cost becomes a part of the cost of doing business in California the necessity of adding a reasonable profit cannot fail to mean an increase in cost to the consumers of goods and services in this State, which would bring the expense to them to at least \$1,300,000 or \$1,400,000, without any increase in benefits to injured workmen.

The proponents of this measure do not represent to the voters that any reduction in taxes will follow the adoption of this constitutional amendment. But even if any such reduction could be expected (which it cannot) the proposal would in effect save the voters \$875,000 per year in taxes, only to cost them \$1,300,000 or \$1,400,000 per year in increased living costs. Since the present State administration took office, a 29% increase in Workmen's Compensation premium rates has already added its impact to the spiral of inflation in the State of California, and at the same time has tended to discourage the growth and expansion of California's industrial economy.

This constitutional amendment would not increase benefits payable to any injured workman, would not decrease taxes, but would substantially increase the cost of all goods and services in California. For these reasons, a NO vote on this measure is urgently recommended.

JOHN A. MURDY, Jr.
State Senator, Orange County
S. A. HALGREN, President
California Manufacturers Association

6 STATE INDEBTEDNESS. Assembly Constitutional Amendment No. 12. Requires all bond issues be submitted to people as a bond act or statute rather than constitutional amendment. Repeals several constitutional provisions on prior bond issues but continues them as statutes. Provides that laws creating state indebtedness or bond issue shall be approved by two-thirds of each house of the Legislature before being submitted to the people.

YES	
NO	

For Full Text of Measure, See Page 5, Part II

Analysis by the Legislative Counsel

This Constitutional Amendment would reduce the length of the Constitution by repealing 17 sections of Article XVI which authorized the issuance and sale of state bonds for specified purposes, and by continuing those provisions in full force and effect as statutes ratified by the Constitution. The Legislature would be authorized to amend or repeal the statutes only if the bonds involved have been fully retired, and if no bondholders rights will be damaged.

The measure would require every future measure seeking authorization to issue and sell state bonds to be submitted to the voters in the form of a statute rather than a constitutional amendment, and would require such a statute to be adopted by a two-thirds vote of the members elected to each of the houses of the Legislature—the same vote now required to propose a constitutional amendment or to

submit a bond act to the people at a primary election.

Argument in Favor of Proposition No. 6

This is an amendment to promote the simplification and modernization of our State Constitution.

California's Constitution contains many detailed provisions which should be contained in our statutory law rather than in the Constitution. This amendment was introduced by the members of the Assembly Interim Committee on Constitutional Amendments. It would repeal those provisions of Article 16 of the Constitution which contains lengthy provisions either ratifying state bond issues or providing in detail for the issuance of such bonds. The amendment would prevent the inclusion of such provisions in the Constitution in the future and prohibiting the submission to the voters of any constitutional amendment which provides for

No person described herein who has served in the armed forces of the United States shall be eligible for such exemption unless he was a resident of California at the time of his entry into such armed forces, or unless he was a resident of California at the effective date of the amendment of this section as proposed at the 1961 Regular Session of the Legislature.

No surviving spouse, father or mother of such person described herein who has served in the armed forces of the United States shall be eligible for such exemption unless such described person was eligible for such exemption at the time of his death, and unless such surviving spouse, father or mother of such described person was a resident at the time of the application for such exemption.

4	ASSESSMENT OF AGRICULTURAL LAND. Assembly Constitutional Amendment No. 4. Upon adoption of ordinance by county or city, assessor on application of owner shall assess land used exclusively for agricultural purposes for prior two years on basis of such agricultural use only until such time as owner applies for assessment on regular basis or land is diverted from agricultural use, in which event the land shall be subject to additional taxes for prior seven years. Legislature shall provide procedures and necessary legislation to implement.	YES	
		NO	

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

**PROPOSED AMENDMENT
TO ARTICLE XIII**

Sec. 2.8. In assessing land which is used exclusively for agricultural purposes, and which has been so used for at least two successive assessment years immediately preceding the lien date, the assessor shall consider no factors other than those relative to agricultural use if the fee simple owner of the land makes application in writing to the assessor, by the time and in the manner provided by the Legislature, for the assessment of the land to be made on the basis of agricultural use. Upon the assessor's determination that the land meets the qualifications of this section, it shall be assessed as herein provided until such time as the fee simple owner or his successor in interest applies for assessment as otherwise provided by this Constitution, or until the land is diverted to a use other than for exclusively agricultural purposes.

In the event that land assessed pursuant to this section is diverted to a use other than for exclusively agricultural purposes, or application is made for its assessment as otherwise provided by this Constitution, the land shall be

subject to additional taxes in an amount equal to the difference, with such interest as may be provided by law, between the taxes paid or payable on the basis of the assessments made hereunder and the taxes that would have been paid or payable had the land been assessed as otherwise provided by this Constitution on the seven immediately preceding lien dates. The land assessed pursuant to this section shall be subject to a lien for such additional taxes and interest.

The Legislature shall provide for the collection and distribution of the additional tax and interest, equalization of the agricultural use assessments and the land values upon which the additional taxes are computed, and may make such other provisions in the implementation of this section as it deems necessary.

This section shall not be operative in any county or city unless the governing body of the county or city provides by ordinance that it shall be operative in respect to taxes levied for county or city purposes. Such an ordinance shall not be operative as to any tax year unless it is adopted at least 30 days prior to the lien date for that year. Any ordinance adopted pursuant to this section shall be subject to initiative or referendum by the electors of the county or the city which adopts the ordinance in the manner and to the extent provided for in Section 1 of Article IV of the Constitution.

5	WORKMEN'S COMPENSATION. Assembly Constitutional Amendment No. 72. Grants Legislature power to provide for award to the State in the case of accidental death of an employee without dependents; and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer.	YES	
		NO	

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

PROPOSED AMENDMENT TO ARTICLE XX

Sec. 21. The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workmen's compensation.

...pensation, by appropriate legislation, and in behalf to create and enforce a liability on part of any or all persons to compensate any or all of their workmen for injury or disability, and their dependents for death incurred or sustained by the said workmen in the course of their employment, irrespective of the fault of any party. A complete system of workmen's compensation includes adequate provisions for the comfort, health and safety and general welfare of any and all workmen and those dependent upon them for support to the extent of relieving from the consequences of any injury or death incurred or sustained by workmen in the course of their employment, irrespective of the fault of any party, also full provision for securing safety in places of employment; full provision for such medical, surgical, hospital and other remedial treatment as is requisite to cure and relieve from the effects of such injury; full provision for adequate insurance coverage against liability to pay or furnish compensation; full provision for regulating such insurance coverage in all its aspects, including the establishment and management of a state compensation insurance fund; full provision for otherwise securing the payment of compensation; and full provision for vesting power, authority and jurisdiction in an administrative body with all the requisite governmental functions to determine any dispute or matter arising under such legislation, to the end that the administration of such legislation shall accomplish substantial justice in cases expeditiously, inexpensively, and

without incumbrance of any character; all of which matters are expressly declared to be the social public policy of this State, binding upon all departments of the state government.

The Legislature is vested with plenary powers, to provide for the settlement of any disputes arising under such legislation by arbitration, or by an industrial accident commission, by the courts, or by either, any, or all of these agencies, either separately or in combination, and may fix and control the method and manner of trial of any such dispute, the rules of evidence and the manner of review of decisions rendered by the tribunal or tribunals designated by it; provided, that all decisions of any such tribunal shall be subject to review by the appellate courts of this State. The Legislature may combine in one statute all the provisions for a complete system of workmen's compensation, as herein defined.

The Legislature shall have power to provide for the payment of an award to the State in the case of the accidental death of an employee without dependents, and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer for awards to his employees.

Nothing contained herein shall be taken or construed to impair or render ineffectual in any measure the creation and existence of the industrial accident commission of this State or the State Compensation Insurance Fund, the creation and existence of which, with all the functions vested in them, are hereby ratified and confirmed.

6 STATE INDEBTEDNESS. Assembly Constitutional Amendment No. 12. Requires all bond issues be submitted to people as a bond act or statute rather than constitutional amendment. Repeals several constitutional provisions on prior bond issues but continues them as statutes. Provides that laws creating state indebtedness or bond issue shall be approved by two-thirds of each house of the Legislature before being submitted to the people.

YES	
NO	

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

PROPOSED AMENDMENTS TO ARTICLE XVI

First—That Section 1 of Article XVI be amended to read:

SECTION 1. The Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any previous debts or liabilities, exceed the sum of three hundred thousand dollars (\$300,000), except in case of war to repel invasion or suppress insurrection, unless the same shall be authorized by law for some single act or work to be distinctly specified therein. Such law shall provide ways and means, exclusive of loans, for the payment of the inter-

est of such debt or liability as it falls due, and also to pay and discharge the principal of such debt or liability within 50 years of the time of the contracting thereof, and shall be irrevocable until the principal and interest thereon shall be paid and discharged, and such law may make provision for a sinking fund to pay the principal of such debt or liability to commence at a time after the incurring of such debt or liability of not more than a period of one-fourth of the time of maturity of such debt or liability; but no such law shall take effect, unless it has been passed by a two-thirds vote of all the members elected to each house of the Legislature and until, at a general election or at a direct primary, it shall have been submitted to the people and shall have received a majority of all the votes cast for and against it at such election; and all moneys raised by authority of such law shall be applied only to the specific object therein stated or to the payment of the debt thereby created. Full publicity as to matters to be voted upon by the people is