

1962

GENERAL OBLIGATION BONDS

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hundreds of amendments to bills that must also be printed and distributed. Legislators, their staffs, and interested citizens must have copies of bills before they can study them. A shorter time for study would increase the chance for bills to slip through without careful examination.

In 1958 California voters amended the Constitution to eliminate the mandatory 30-day recess. The waiting period before bills can be heard provides a sufficient opportunity for citizens to let their representatives know their opinions of the bills. At a time when legislators had to return home by horse and buggy to talk to their constituents, the recess made good

sense; nowadays the speed and ease of travel and communication make a recess an unnecessary interruption of the session.

Lawmakers should have time to draft laws in the best interest of the citizens of the State. Technical staffs should have time to analyze bills and their effects. Citizens should have time to consider and evaluate proposed legislation. Vote NO on Proposition 8.

LEAGUE OF WOMEN VOTERS
OF CALIFORNIA

MRS. LAUFFER T. HAYES
President

GENERAL OBLIGATION BONDS. Assembly Constitutional Amendment No. 9. Authorizes Legislature to establish "General Obligation Bond Proceeds Fund" and to place proceeds of all general obligation bond issues in said fund. Requires separate account for proceeds of each issue and permits payment only in accordance with law authorizing the issuance. Authorizes Legislature to abolish any general bond fund in the State Treasury if transferred into "General Obligation Bond Proceeds Fund" and it may later re-establish such fund.

YES	
NO	

For Full Text of Measure, See Page 14, Part II

Analysis by the Legislative Counsel

This constitutional amendment would add Section 1.5 to Article XVI of the Constitution to authorize the Legislature to create a "General Obligation Bond Proceeds Fund" in the State Treasury and to provide for the proceeds from the sale of state general obligation bonds, whether previously issued or to be issued in the future, to be paid into or transferred to this fund. Separate accounts would be required to be maintained in this fund for the proceeds of each bond issue, and the money in each such account would be required to be paid out in accordance with the particular bond act under which the bonds were issued.

The measure would authorize the Legislature to abolish any state bond fund when the bond proceeds in it are transferred to the General Obligation Bond Proceeds Fund. However, legislative action taken pursuant to this authorization would not prevent the Legislature from re-establishing any such state bond fund so abolished and transferring the bond proceeds back to such fund.

Argument in Favor of Proposition No. 9

A YES vote on this constitutional amendment would help streamline the state's bond fund accounting. It would enable the Legislature, if it so desires, to replace existing individual funds with a single fund for general obligation bonds.

This would eliminate the obvious red tape connected with keeping separate funds rather than accounts in a single fund. It would simplify accounting and reporting procedures, but it would not sacrifice any of the controls now in effect. The amendment states specifically that proceeds of each bond issue could be spent only for the purposes authorized by the voters in approving the particular bond issue.

Recognized authorities in the field of public administration and finance pointed out as early as 1936 the existence of numerous separate funds tends to complicate and confuse the state financial picture. A number of Legislative committees have reached the same conclusion. The Assembly Interim Committee on Ways and Means last year, after detailed studies, recommended this constitutional amendment.

A YES vote will help bring businesslike accounting procedures to this area of state government while at the same time assuring the continuance of present safeguards on bond funds.

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

CHARLES J. CONRAD
Assemblyman for 57th District

MILTON MARKS
Assemblyman for 21st District

At the general session, no bill, other than the Budget Bill, shall be heard by any committee until 20 calendar days have elapsed following the date the bill was first introduced, or shall be acted upon by either house until 30 calendar days have elapsed following the date the bill was first introduced; provided, that this provision may be dispensed with by the consent of three-fourths of the members of the house.

Second—That subdivision (d) is added to Section 2 of Article IV, to read:

(d) In addition to any other recess, Legislature may take one recess of not to exceed 10 calendar days at a general session which shall not be counted in computing the limitation on the duration of general sessions.

GENERAL OBLIGATION BONDS. Assembly Constitutional Amendment No.

9

40. Authorizes Legislature to establish "General Obligation Bond Proceeds Fund" and to place proceeds of all general obligation bond issues in said fund. Requires separate account for proceeds of each issue and permits payment only in accordance with law authorizing the issuance. Authorizes Legislature to abolish any general bond fund in the State Treasury if transferred into "General Obligation Bond Proceeds Fund" and it may later re-establish such fund.

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 XVI

Sec. 15. The Legislature may create and establish a "General Obligation Bond Proceeds Fund" in the State Treasury, and may provide for the proceeds of the sale of general obligation bonds of the State heretofore or hereafter issued, including any sums paid as accrued interest thereon, under any or all acts authorizing the issuance of such bonds, to be paid into or transferred to, as the case may be, the "General Obligation Bond Proceeds Fund." Accounts shall be maintained in the "General Obligation Bond Proceeds Fund" of all moneys deposited in the State Treasury to the credit of that fund

and the proceeds of each bond issue shall be maintained as a separate and distinct account and shall be paid out only in accordance with the law authorizing the issuance of the particular bonds from which the proceeds were derived. The Legislature may abolish, subject to the conditions of this section, any fund in the State Treasury heretofore or hereafter created by any act for the purpose of having deposited therein the proceeds from the issuance of bonds if such proceeds are transferred to or paid into the "General Obligation Bond Proceeds Fund" pursuant to the authority granted in this section; provided, however, that nothing in this section shall prevent the Legislature from re-establishing any bond proceeds fund so abolished and transferring back to its credit all proceeds in the "General Obligation Bond Proceeds Fund" which constitute the proceeds of the particular bond fund being re-established.

WELFARE EXEMPTION: LEASED PROPERTY. Assembly Constitutional Amendment No. 24.

10

Permits extension of welfare tax exemption for religious, hospital or charitable purposes to property leased for a period of 99 years (excluding houses or dwellings), such exemption to be applicable only to improvements by lessee in accordance with procedures and limitations adopted by Legislature. Provides that exemption for leased property shall only be effective in counties so providing by ordinance.

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 XIII

Sec. 1e. In addition to such exemptions as are now provided in this Constitution, the Legislature may exempt from taxation all or any portion of property used exclusively for religious, hospital or charitable purposes and owned or leased for a period of 99 years by community chests, funds, foundations or corporations organized and operated for religious,

hospital or charitable purposes, not conducted for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual. As used in this section, "property used exclusively for religious, hospital or charitable purposes" shall include a building and its equipment in the course of construction on or after the first Monday of March, 1954, together with the land on which it is located as may be required for the use and occupation of the building, to be used exclusively for religious, hospital or charitable purposes.

In the case of leased property, the exemption shall extend only to value added to the pro-