

2004

## Surplus Property.

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### Recommended Citation

Surplus Property. California Proposition 60a (2004).  
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# BALLOT MEASURE SUMMARY

PROP

**60**

## Election Rights of Political Parties. Legislative Constitutional Amendment.

### Summary

Requires general election ballot include candidate receiving most votes among candidates of same party for partisan office in primary election. Fiscal Impact: No fiscal effect.

### What Your Vote Means

#### Yes

A **YES** vote on this measure means: The State Constitution would require that the top vote-getter from each party in a state primary election advance to the general election. (The current statutory elections process has this requirement.)

#### No

A **NO** vote on this measure means: No provisions would be added to the State Constitution regarding state primary elections.

### Arguments

#### Pro

Proposition 60 guarantees full, free, and open debate in elections. **PROPOSITION 60 PRESERVES VOTER CHOICE** and protects your right to select political party nominees for public office in direct primary elections. Proposition 60 gives you the right to choose from all parties and different points of view in general elections.

#### Con

Proposition 60 does not go far enough. It leaves the door open to possible future tinkering with our election system.

### For Additional Information

#### For

Yes on 60—Committee to Preserve Voter Choice  
1127 11th Street, Suite 950  
Sacramento, CA 95814  
916-443-5900  
[www.Yeson60.com](http://www.Yeson60.com)

#### Against

No contact information available.

PROP

**60A**

## Surplus Property. Legislative Constitutional Amendment.

### Summary

Sale proceeds of most surplus state property pay off specified bonds. Fiscal Impact: Net savings over the longer term—potentially low tens of millions of dollars—from accelerated repayment of existing bonds.

### What Your Vote Means

#### Yes

A **YES** vote on this measure means: The state would be required to use any revenues from the sale of surplus property to accelerate the repayment of some existing bonds.

#### No

A **NO** vote on this measure means: The state would not be required to use revenues from the sale of surplus property to accelerate the repayment of some existing bonds.

### Arguments

#### Pro

No contact information available.

#### Con

Proposition 60A does not go far enough. While it earmarks the proceeds of sale of surplus property to pay off bonds, it doesn't mandate sales.

### For Additional Information

#### For

No contact information available.

#### Against

No contact information available.

PROPOSITION  
**60A**

**SURPLUS PROPERTY.  
LEGISLATIVE CONSTITUTIONAL AMENDMENT.**

**OFFICIAL TITLE AND SUMMARY**

Prepared by the Attorney General

**Surplus Property.  
Legislative Constitutional Amendment.**

- Dedicates proceeds from sale of surplus state property purchased with General Fund monies to payment of principal, interest on Economic Recovery Bonds approved in March 2004. When those bonds are repaid, surplus property sales proceeds directed to Special Fund For Economic Uncertainties.

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

- Net savings over the longer term—potentially low tens of millions of dollars—from accelerated repayment of existing bonds.

**Final Votes Cast by the Legislature on SCA 18 (Proposition 60A)**

Assembly:	Ayes 55	Noes 21
Senate:	Ayes 28	Noes 3

## ANALYSIS BY THE LEGISLATIVE ANALYST

### BACKGROUND

*Surplus State Property.* Current state statutes generally require a state agency to review annually its real property holdings (land and facilities) and determine what, if any, is in excess of its foreseeable needs. These properties are commonly referred to as “surplus state properties.” They include both unused properties and those which are underutilized by an agency. Certain state-owned properties are excluded from being designated as surplus property, including any land designated for use for highway purposes.

Once real property has been identified as surplus, the state attempts to sell the property, or dispose of it in some other manner, such as by giving it to a local government. When surplus property is sold, the sales revenues are deposited into the account that originally paid for the acquisition of the property. In most instances, sales revenues are deposited in the state’s General Fund and are available for expenditure on any state program.

*Proposition 57 Bonds.* In March of this year, voters approved Proposition 57, which authorizes the issuance of up to \$15 billion in bonds to finance past budget deficits. The debt service (principal and interest payments) on these bonds is to be repaid over a 9- to 14-year period from designated General Fund revenues. (For more information on state bonds, please refer to the section of the ballot pamphlet entitled “An Overview of State Bond Debt.”)

### PROPOSAL

This measure requires that proceeds from the sale of surplus state property that

occur on or after the passage of this measure be used to pay the principal and interest on Proposition 57 bonds. Once these bonds are fully repaid, proceeds from surplus property sales would be deposited in the General Fund.

The measure does not apply to properties acquired with specified transportation funds or other special fund monies. In other words, the measure only applies to those properties that were purchased with General Fund revenue or bonds secured by the General Fund.

### FISCAL EFFECTS

Proceeds from the sale of surplus state property, which fluctuate significantly from year to year, are not a major source of General Fund revenue. For example, surplus property sales have averaged roughly \$30 million a year over the past decade. (By comparison, total General Fund revenues in 2003–04 were roughly \$75 billion.) By dedicating these surplus property proceeds to the debt service on Proposition 57 bonds, this measure would accelerate the bonds’ repayment probably by a few months. In effect, the state would pay out more for debt service on these bonds in the short term and less in the longer term. (This is similar to what happens when individuals make additional payments on top of their regular car or home loan payments.) While this measure would not change the amount of bond principal, it would reduce the amount of interest payments over the life of the repayment period. We estimate that these interest savings—expressed in today’s dollars—could be in the low tens of millions of dollars.

**ARGUMENT in Favor of Proposition 60A**

*PROPOSITION 60A* gives voters the chance to reduce the cost of the bonds they overwhelmingly approved in March as part of Governor Schwarzenegger’s plan to help ease the state’s budget crisis.

Unfortunately, those bonds carry a high price in the form of interest payments. There is a solution. Experts estimate California has more than \$1,000,000,000 worth of surplus property. By requiring that proceeds from the sale of all such surplus property be used to help pay off the bonds early, *PROPOSITION 60A COULD DRAMATICALLY LOWER COSTS TO TAXPAYERS.*

Vote YES on Proposition 60A to *SAVE MONEY.*

DAN STANFORD, *Former Chairman  
California Fair Political Practices  
Commission*

BARBARA O’CONNOR, Ph.D., *Director  
Institute for the Study of Politics & Media  
California State University, Sacramento*

GEORGE N. ZENOVICH, *Associate Justice  
Retired, 5<sup>th</sup> District Court of Appeal*

**REBUTTAL to Argument in Favor of Proposition 60A**

Nowhere in the support arguments for Proposition 60A do you see mention of what Proposition 60A does to actually force the sale of surplus property in California. That’s because Proposition 60A doesn’t force the sale of surplus property—it only directs that the money raised IF surplus property is sold be used to pay off bond debt.

In seeking to compromise, the backers of Proposition 60A stopped short of what needs to be done.

That may be practicing the art of the possible, but it is no less “unpalatable” and deserves a no vote.

SENATOR BILL MORROW  
ASSEMBLYMEMBER SARAH REYES

**ARGUMENT Against Proposition 60A**

In his speech on the Conciliation of America, Edmund Burke said, “All government, indeed, every human benefit and enjoyment, every virtue and every prudent act, is founded on compromise and barter.”

Proposition 60A falls short of the mark.

It does make sense to sell surplus state property when we’re in the middle of a budget crisis, but Proposition 60A only says that *if* surplus properties are sold then the proceeds can only be spent to pay off the deficit reduction bonds voters approved last March.

It doesn’t actually force the sale of the hundreds of millions of dollars worth of surplus property the state owns.

As California’s financial troubles have grown, taxpayer groups started putting legis-

lators’ feet to the fire to get rid of surplus property the state owns—including a Bay Area massage parlor, part of a golf course, strip malls, and fashionable properties in Sausalito and even Tahiti!

Proposition 60A is only half a response.

It’s good the big spenders can’t get their hands on the proceeds, but there needs to be more of a stick to get the bureaucrats off the dime to actually sell properties.

Proposition 60A does no harm, but voters deserve more. Voters deserve to see “for sale” signs popping up on the state’s surplus property.

STATE SENATOR BILL MORROW

STATE ASSEMBLYMEMBER SARAH REYES

**REBUTTAL to Argument Against Proposition 60A**

Proposition 60A helps to lower costs to taxpayers by requiring that proceeds from the sale of all surplus state property be used to pay off Governor Schwarzenegger’s deficit reduction bonds early.

Vote Yes on Proposition 60A!

BARBARA O’CONNOR, Ph.D., *Director  
Institute for the Study of Politics & Media  
California State University, Sacramento*

MICHAEL S. CARONA, *Sheriff  
Orange County*

HENRY L. “HANK” LACAYO, *State President  
Congress of California Seniors*

**Proposition 59**

This amendment proposed by Senate Constitutional Amendment 1 of the 2003–2004 Regular Session (Resolution Chapter 1, Statutes of 2004) expressly amends the California Constitution by amending a section thereof; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO SECTION 3 OF ARTICLE I

SEC. 3. (a) The people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good.

(b) (1) *The people have the right of access to information concerning the conduct of the people’s business, and, therefore, the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny.*

(2) *A statute, court rule, or other authority, including those in effect on the effective date of this subdivision, shall be broadly construed if it furthers the people’s right of access, and narrowly construed if it limits the right of access. A statute, court rule, or other authority adopted after the effective date of this subdivision that limits the right of access shall be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

(3) *Nothing in this subdivision supersedes or modifies the right of privacy guaranteed by Section 1 or affects the construction of any statute, court rule, or other authority to the extent that it protects that right to privacy, including any statutory procedures governing discovery or disclosure of information concerning the official performance or professional qualifications of a peace officer.*

(4) *Nothing in this subdivision supersedes or modifies any provision of this Constitution, including the guarantees that a person may not be deprived of life, liberty, or property without due process of law, or denied equal protection of the laws, as provided in Section 7.*

(5) *This subdivision does not repeal or nullify, expressly or by implication, any constitutional or statutory exception to the right of access to public records or meetings of public bodies that is in effect on the effective date of this subdivision, including, but not limited to, any statute protecting the confidentiality of law enforcement and prosecution records.*

(6) *Nothing in this subdivision repeals, nullifies, supersedes, or modifies protections for the confidentiality of proceedings and records of the Legislature, the Members of the Legislature, and its employees, committees, and caucuses provided by Section 7 of Article IV, state law, or legislative rules adopted in furtherance of those provisions; nor does it affect the scope of permitted discovery in judicial or administrative proceedings regarding deliberations of the Legislature, the Members of the Legislature, and its employees, committees, and caucuses.*

**Proposition 60**

This amendment proposed by Senate Constitutional Amendment 18 of the 2003–2004 Regular Session (Resolution Chapter 103, Statutes of 2004) expressly amends the California Constitution by amending a section thereof; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE II

That Section 5 of Article II thereof is amended to read:

SEC. 5. (a) The Legislature shall provide for primary elections for partisan offices, including an open presidential primary whereby the

candidates on the ballot are those found by the Secretary of State to be recognized candidates throughout the nation or throughout California for the office of President of the United States, and those whose names are placed on the ballot by petition, but excluding any candidate who has withdrawn by filing an affidavit of noncandidacy.

(b) *A political party that participated in a primary election for a partisan office has the right to participate in the general election for that office and shall not be denied the ability to place on the general election ballot the candidate who received, at the primary election, the highest vote among that party’s candidates.*

**Proposition 60A**

This amendment proposed by Senate Constitutional Amendment 18 of the 2003–2004 Regular Session (Resolution Chapter 103, Statutes of 2004) expressly amends the California Constitution by adding a section thereto; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE III

That Section 9 is added to Article III thereof, to read:

SEC. 9. *The proceeds from the sale of surplus state property occurring on or after the effective date of this section, and any proceeds*

*from the previous sale of surplus state property that have not been expended or encumbered as of that date, shall be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act authorized at the March 2, 2004, statewide primary election. Once the principal and interest on those bonds are fully paid, the proceeds from the sale of surplus state property shall be deposited into the Special Fund for Economic Uncertainties, or any successor fund. For purposes of this section, surplus state property does not include property purchased with revenues described in Article XIX or any other special fund moneys.*

**Proposition 61**

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

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

The people of the State of California do enact as follows:

SECTION 1. Part 6 (commencing with Section 1179.10) is added to Division 1 of the Health and Safety Code, to read:

PART 6. CHILDREN’S HOSPITAL BOND ACT OF 2004

CHAPTER 1. GENERAL PROVISIONS

1179.10. *This part shall be known and may be cited as the Children’s Hospital Bond Act of 2004.*

1179.11. *As used in this part, the following terms have the following meanings:*

(a) *“Authority” means the California Health Facilities Financing Authority established pursuant to Section 15431 of the Government Code.*

(b) *“Children’s hospital” means either:*

(1) *A University of California general acute care hospital described below:*

(A) *University of California, Davis Children’s Hospital.*

(B) *Mattel Children’s Hospital at University of California, Los Angeles.*

(C) *University Children’s Hospital at University of California, Irvine.*

(D) *University of California, San Francisco Children’s Hospital.*

(E) *University of California, San Diego Children’s Hospital.*

(2) *A general acute care hospital that is, or is an operating entity of, a California nonprofit corporation incorporated prior to January 1, 2003, whose mission of clinical care, teaching, research, and advocacy*