

2008

# PROPOSITION 10 ALTERNATIVE FUEL VEHICLES AND RENEWABLE ENERGY. BONDS.

Follow this and additional works at: [http://repository.uchastings.edu/ca\\_ballot\\_props](http://repository.uchastings.edu/ca_ballot_props)

---

## Recommended Citation

PROPOSITION 10 ALTERNATIVE FUEL VEHICLES AND RENEWABLE ENERGY. BONDS. California Proposition 10 (2008).  
[http://repository.uchastings.edu/ca\\_ballot\\_props/1290](http://repository.uchastings.edu/ca_ballot_props/1290)

This Proposition is brought to you for free and open access by the California Ballot Propositions and Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Propositions by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact [marcusc@uchastings.edu](mailto:marcusc@uchastings.edu).

**ALTERNATIVE FUEL VEHICLES AND RENEWABLE ENERGY.  
BONDS. INITIATIVE STATUTE.**

- Provides \$3.425 billion to help consumers and others purchase certain high fuel economy or alternative fuel vehicles, including natural gas vehicles, and to fund research into alternative fuel technology.
- Provides \$1.25 billion for research, development and production of renewable energy technology, primarily solar energy with additional funding for other forms of renewable energy; incentives for purchasing solar and renewable energy technology.
- Provides grants to cities for renewable energy projects and to colleges for training in renewable and energy efficiency technologies.
- Total funding provided is \$5 billion from general obligation bonds.

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

- State costs of about \$10 billion over 30 years to pay off both the principal (\$5 billion) and interest (\$5 billion) costs of the bonds. Payments of about \$335 million per year.
- Increase in state sales tax revenues of an unknown amount, potentially totaling in the tens of millions of dollars, over the period from 2009 to about 2019.
- Increase in local sales tax and vehicle license fee revenues of an unknown amount, potentially totaling in the tens of millions of dollars, over the period from 2009 to about 2019.
- Potential state costs of up to about \$10 million annually, through about 2019, for state agency administrative costs not funded by the measure.

**ANALYSIS BY THE LEGISLATIVE ANALYST****BACKGROUND**

**State Energy and Air Quality Programs.** The state administers a number of programs to promote renewable energy (such as solar and wind power), alternative clean fuels (such as natural gas), energy efficiency, and air quality improvements. Some programs provide financial incentives, such as grants, loans, loan guarantees, rebates, and tax credits. Funding for these programs has primarily come from fee revenues, although general obligation (GO) bonds more recently have been a funding source for air quality-related incentive programs.

**State and Local Taxes and Local Vehicle License Fee (VLF) Revenues.** State and local governments levy a number of taxes, including the sales and use tax (SUT). The SUT is levied on the final purchase price of tangible personal items, with a number of specified exemptions. The SUT has two rate components: one state and one local. The state SUT rate is currently 6.25 percent, of which 1 percent is distributed to local governments. The local SUT rate currently varies between 1 percent and 2.5 percent, depending on the local jurisdiction in which the tax is levied. Thus, the overall rate in California varies from 7.25 percent to 8.75 percent. In addition, the state collects an annual VLF on motor vehicles. Most of these VLF revenues are distributed to cities and counties. Currently, the VLF rate is equal to 0.65 percent of a motor vehicle's depreciated purchase price.

**PROPOSAL**

**Authority to Sell GO Bonds.** This measure allows the state to sell \$5 billion in GO bonds for various renewable energy, alternative fuel, energy efficiency, and air emissions reduction purposes. Figure 1 summarizes the definitions of key terms used in the measure.

Figure 1 Key Terms as Defined in Proposition 10
<b>Clean Alternative Fuel.</b> Natural gas or any fuel that achieves at least a 10-percent reduction in carbon emissions when compared to conventional petroleum-based fuels.
<b>Clean Alternative Fuel Vehicle.</b> Generally, a vehicle powered by a clean alternative fuel.
<b>Dedicated Clean Alternative Fuel Vehicle.</b> A vehicle powered exclusively by specified clean alternative fuels—biomethane, electricity, hydrogen, natural gas, propane, or any combination thereof.
<b>High Fuel Economy Vehicle.</b> A light-duty on-road vehicle (weighing less than 8,500 pounds <sup>a</sup> ) that can achieve a fuel economy of 45 miles per gallon for highway use.
<b>Very High Fuel Economy Vehicle.</b> A light-duty on-road vehicle (weighing less than 8,500 pounds <sup>a</sup> ) that can achieve a fuel economy of 60 miles per gallon for highway use.
<sup>a</sup> Currently, the average light-duty passenger vehicle weighs less than 4,500 pounds.

For more information regarding GO bonds, please refer to the section of this ballot pamphlet entitled “An Overview of State Bond Debt.”

Figure 2 summarizes the available uses of the bond money, which primarily would (1) provide \$3.4 billion for financial incentives to reduce the cost to purchase or lease high fuel economy vehicles and dedicated clean alternative fuel vehicles (primarily rebates for trucks and other medium- and heavy-duty vehicles), and (2) \$1.6 billion to fund research, design, development, and deployment of renewable electricity generating technology. The measure allocates the bond funds among four accounts, as shown in Figure 2.

Figure 2 Proposition 10 Uses of Bond Funds		Amounts (In Millions)
<b>Clean Alternative Fuels Account</b>		<b>\$3,425</b>
Rebates—Ranging from \$2,000 to \$50,000 per rebate.		\$2,875
• High Fuel Economy Vehicles.		(\$110)
• Very High Fuel Economy Vehicles.		(230)
• Dedicated Clean Alternative Fuel Vehicles:		
—Light-duty vehicles weighing less than 8,500 pounds. <sup>a</sup>		(550)
—Light-medium-duty vehicles weighing between 8,500 and 13,999 pounds.		(310)
—Heavy-medium-duty vehicles weighing between 14,000 and 24,999 pounds.		(650)
—Heavy-duty vehicles weighing 25,000 pounds or more.		(1,000)
• Home refueling station rebates (\$2,000 per rebate).		(25)
Financial incentives—Research, development, and demonstration of alternative-fuel and high-efficiency vehicles, and alternative fuels. <sup>b</sup>		\$550
<b>Solar, Wind, and Renewable Energy Account</b>		<b>\$1,250</b>
Financial incentives—Research, design, development, construction, and production of electric generation technology that reduces generation cost and greenhouse gas emissions. <sup>b,c</sup>		\$1,000
Financial incentives—Equipment to produce electricity from renewable resources. <sup>b</sup>		250
<b>Demonstration Projects and Public Education Account</b>		<b>\$200</b>
Grants to local governments—Construction and operation of alternative and renewable energy demonstration projects.		\$200
<b>Education, Training, and Outreach Account</b>		<b>\$125</b>
Grants to public universities and colleges—Staff development, training, research, and tuition assistance for alternative fuel and clean energy technology commercialization (making the new technology ready for sale in the commercial market) and workforce development. At least \$25 million for outreach and public education.		\$125
<b>Total</b>		<b>\$5,000</b>

<sup>a</sup> Currently, the average light-duty passenger vehicle weighs less than 4,500 pounds.

<sup>b</sup> Financial incentives could include low-interest loans, loan guarantees, and grants.

<sup>c</sup> At least 80 percent of the funds (\$800 million) must support financial incentives for solar technology.

**State Agency Administration of Bond Funds.** The measure designates various state agencies to administer different components of the measure. Specifically, the State Board of Equalization (BOE) would administer the alternative-fuel vehicle rebates, the Air Resources Board would administer the incentives for alternative-fuel research and development, and the California Energy Resources Conservation and Development Commission would administer the renewable energy incentives and the monies available for grants to local governments and public higher education institutions. Regarding BOE's administration of the rebates, the measure provides that BOE shall calculate the SUT applicable to the sale or lease of a vehicle at the pre-rebate purchase or lease price.

The measure requires each state administering agency to adopt program milestones, provide for annual independent audits, issue annual progress reports, and establish procedures for oversight of the awarding of incentives. The measure also requires that the monies allocated to each bond account be spent within ten years, with reasonable efforts to be made to spend the monies for alternative-fuel vehicle rebates within five years.

Finally, the measure specifies that not more than 1 percent of the funds in each account established by the measure may be used to pay for program administration.

## FISCAL EFFECT

**Bond Costs.** The cost of these bonds would depend on interest rates in effect at the time they are sold and the time period over which they are repaid. The state would likely make principal and interest payments

from the state's General Fund over a period of 30 years. If the bonds were sold at an average interest rate of about 5 percent, the cost would be about \$10 billion to pay off both the principal (\$5 billion) and interest (\$5 billion). The average payment would be about \$335 million per year.

**Impact on State Sales Tax Revenues.** The measure provides \$2.9 billion for a variety of vehicle-related rebates. The rebates are designed to encourage the purchase or lease of vehicles that, presumably, are more expensive than the vehicles that consumers (individuals and businesses) would purchase or lease in the absence of the rebates. To the extent the rebates result in individuals and/or businesses purchasing or leasing vehicles that are more expensive than those that they would otherwise purchase or lease, state sales tax revenues would increase. In addition, consistent with the experience with other vehicle rebate programs in California, retailers may adjust the sales price upwards to account for the individuals and/or businesses being eligible for a rebate. Such an increase in the sales prices of these products would result in an increase in state sales tax revenues. Finally, rebates will result in lower out-of-pocket expenses for some individuals and/or businesses purchasing or leasing vehicles. If these individuals and/or businesses spend any of these savings on other taxable purchases, this will result in increased SUT revenues.

While the exact amount of increased sales tax revenue that would result from the measure would depend on the quantity and actual selling price of vehicles purchased or leased and other behavioral effects in response to the rebates, we estimate that the amount is potentially in the tens of millions of dollars from 2009 to about 2019.

**Impact on Local Revenues.** The bond-funded incentive programs under the measure would result in the following two effects on local revenues:

- **Increased Local Sales Tax Revenues.** As with the measure's impact on state sales tax revenues discussed above, depending on the quantity and actual selling price of vehicles purchased or leased in response to the rebates, the measure would result in increased sales tax revenues to local governments, potentially in the low tens of millions of dollars from 2009 to about 2019.
- **Increased Local VLF Revenues.** As stated above, the measure could result in individuals and/or businesses purchasing or leasing vehicles that are more expensive than those they would otherwise purchase or lease. To the extent that the measure results in the purchase or lease of more expensive vehicles than would otherwise be purchased

or leased, it would lead to increased local VLF revenues. While the exact amount of any such VLF revenue increase would depend upon the quantity and actual selling price of any vehicles purchased or leased as a result of the rebates offered by the measure, we estimate the increase in VLF revenues to be potentially in the millions of dollars from 2009 to about 2019.

**State Administrative Costs to Implement the Measure.** The measure's 1-percent limit on administrative costs may leave the various state departments with insufficient funds to implement the programs consistent with the provisions of the proposition. To the extent the measure fails to provide adequate funding for its administration, other state funds may face pressure, potentially averaging up to about \$10 million annually, to fund implementation of the measure through about 2018–19.

★ ARGUMENT IN FAVOR OF PROPOSITION 10 ★

You can take action today to reduce California's dependence on foreign oil; reduce air pollution that causes asthma and cancer; and create new green technology jobs to strengthen our state's economy—without raising taxes. *Vote Yes on Proposition 10.*

**PROPOSITION 10 WILL PROVIDE URGENTLY NEEDED FUNDING TO:**

- Generate electricity from renewable sources, including solar, wind, tidal, and low-impact hydropower.
- Provide consumer rebates for the purchase or lease of clean alternative fuel vehicles, including hybrids, electric vehicles, and fuel-efficient vehicles that get at least 45 miles per gallon.
- Replace older polluting diesel trucks with clean alternative fuel trucks.
- Fund research and development of cheaper and cleaner alternative fuels.

**YES ON 10 WILL LEAD US TO ENERGY INDEPENDENCE**

Californians pay billions of dollars to hostile foreign governments while the price of gasoline soars to record levels. Proposition 10 will increase our energy independence through the production of electricity from wind, solar, and other renewable sources and by giving California motorists the choice to buy vehicles that run on electricity produced from renewable sources and cheaper domestic alternative fuels.

**PROPOSITION 10 MEANS CLEAN AIR AND A HEALTHIER FUTURE FOR US AND OUR CHILDREN**

Most of our transportation fuels, such as gasoline and diesel, create pollution that contains carcinogens and toxins that cause asthma and cancer. Dirty, aging diesel trucks are a leading source of air pollution. As a result, California has four of the ten most polluted cities in America according to the American Lung Association.

Proposition 10 will help replace more than 28,000 diesel trucks with trucks that run on cleaner alternative fuels. It will also provide rebates for consumers who purchase more fuel efficient vehicles and vehicles which run on clean alternative fuels that meet or surpass the state's global warming goals.

**PROPOSITION 10 WILL GIVE CONSUMERS MORE ALTERNATIVES TO HIGH-PRICED GASOLINE**

Record high gas prices are squeezing California's families and hurting our economy. Proposition 10 invests in research and development of less expensive cleaner alternative fuels and provides rebates to give consumers the choice of purchasing alternative fuel vehicles.

**PROPOSITION 10 WILL STRENGTHEN CALIFORNIA'S ECONOMY**

By making a significant investment in clean and renewable energy technologies, Proposition 10 will reduce our dependence on foreign oil, develop new clean energy industries in California, and create thousands of good-paying jobs.

**YES ON 10 HAS STRICT ACCOUNTABILITY AND EFFICIENCY STANDARDS**

Proposition 10 has strict accountability standards to guarantee that funds are used properly. Independent financial analysis and audits are required. Rebates for the purchase of alternative fuel or high-mileage vehicles will be given directly to consumers. There are no new bureaucracies created by Proposition 10.

**PROPOSITION 10 WILL NOT RAISE TAXES, FEES, OR UTILITY RATES**

Proposition 10 will not raise sales tax rates, vehicle license fees, or utility rates. It will generate millions of dollars for California communities from the sale of new alternative fuel vehicles.

**FOR ENERGY INDEPENDENCE, CLEANER AIR, A HEALTHIER FUTURE FOR OUR CHILDREN, AND A STRONGER ECONOMY, PLEASE VOTE YES ON PROPOSITION 10.**

**DR. ALAN HENDERSON**, Past President  
American Cancer Society, California Division  
**MIGUEL PULIDO**, Governing Board Member  
South Coast Air Quality Management District  
**ALLISON HART**, Executive Director  
Clean and Renewable Energy Association

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 10 ★

Prop. 10 will cost taxpayers nearly \$10,000,000,000 in long-term debt. Money that won't go to schools, roads, health care, or public safety. Money that could go primarily to one company owned by the sponsor of this initiative. That's not good public policy.

Proposition 10's money would give taxpayer subsidies up to \$50,000 each to buyers of trucks and other vehicles that run on a fossil fuel, natural gas. It is not about "alternative fuels."

Despite proponents' claims, Prop. 10 is craftily written to all but exclude hybrids, plug-in hybrids, electric cars, and other clean fuels.

This well-concealed tilt to one fuel will chiefly benefit Proposition 10's sponsor, Texas oil billionaire T. Boone Pickens. His company is a major supplier of natural gas for vehicles.

Proponents' claims of cleaner air and accountability fail to tell you:

- *Proposition 10 does not require any improvement in air quality, or any reduction in greenhouse gases.*

- It does not require that industries getting tens of millions in "clean energy" grants ever produce clean power.
- And it's unclear that Californians will even benefit from the millions in subsidies and grants they're paying for.

No guarantees. None.

Economists will also tell you that increasing demand for natural gas can indeed *raise your utility rates*.

During a budget crisis, we shouldn't be handing \$10 billion in taxpayer dollars to special interest gimmicks. Vote NO on Prop. 10!

**DONNA GERBER**, Director of Government Relations  
California Nurses Association  
**RICHARD HOLOBER**, Executive Director  
Consumer Federation of California  
**JUDY DUGAN**, Research Director  
Consumer Watchdog

★ ARGUMENT AGAINST PROPOSITION 10 ★

What do you call it when one company puts a measure on the ballot to put taxpayer dollars in their own pockets?

Special interest legislation. Corporate welfare. Ripping off the taxpayers.

That's the truth about Proposition 10. One company, owned by Texas billionaire oilman T. Boone Pickens, paid ALL the money for the signatures that put this measure on the ballot (\$3,000,000!). And—surprise—they are first in line to get the lion's share of the taxpayer dollars it would appropriate.

Proposition 10 would take nearly \$10 BILLION OF YOUR TAX DOLLARS primarily to subsidize trucks and large vehicles so that they can run on natural gas sold by—you guessed it—companies like the one owned by T. Boone Pickens.

Even if it was not a special interest sweetheart deal, Proposition 10 would still make no sense. Here's what it does:

In the middle of a budget crisis, it takes taxpayer dollars away from education, healthcare, public safety, and universities in order to provide fleet operators, including very large and profitable corporations, a subsidy for buying or leasing natural gas trucks. That's right. It gives these corporations up to a *\$50,000 rebate per truck* they buy or lease—*without even a requirement that their exhaust will improve air quality.*

The state already has a \$200 million clean fuels program, paid for by fees, not by cutting vital services. The existing program funds *all* clean transportation, without a bias toward natural gas.

Prop. 10 also duplicates programs that ratepayers are already paying for. Today, electricity ratepayers provide billions to alternative energy through the rates we pay, with closely regulated oversight by the Public Utilities Commission. Prop. 10 would make us pay for virtually the same thing but with less oversight—and the companies will get paid whether they produce any power or not!

Consumers will be hurt too. Most of our home heating and much of our electricity comes from natural gas. So, what happens if we subsidize natural gas vehicles, greatly increasing the demand for expensive natural gas? Our electricity and heating bills will go up!

Tens of millions of dollars in Proposition 10 are directed to public relations, outreach, and other marketing gimmicks. Bonds should be used for paying off infrastructure like roads and schools over time—not for public relations.

Prop. 10 is not what it appears. Read the language carefully.

We all have serious concerns about the environment and want to act responsibly. Providing what appear to be incentives to act more responsibly in our choice of vehicles sounds great.

But Prop. 10 is dishonest about its intent.

It provides little real, sound alternative energy or technology. Prop. 10 requires long-term borrowing for short-term benefits and potentially obsolete technology.

Prop. 10 is bad for taxpayers, bad for consumers, and bad for the environment. What is it good for? It could provide billions to the company who put it on the ballot.

Vote NO on 10.

**LENNY GOLDBERG**, Executive Director  
California Tax Reform Association

**MARK TONEY**, Executive Director  
The Utility Reform Network (TURN)

**MARTY HITTELMAN**, President  
California Federation of Teachers

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 10 ★

READ THE OFFICIAL LEGISLATIVE ANALYST REPORT OR GO TO [WWW.PROP10YES.COM](http://WWW.PROP10YES.COM) AND READ THE INITIATIVE. THE SACRAMENTO LOBBYISTS WHO OPPOSE PROPOSITION 10 AREN'T TELLING THE TRUTH.

HERE ARE THE FACTS:

- *Proposition 10 funds go to California consumers—not "Texas oilmen."*

Proposition 10 gives rebates directly to California residents for the purchase of clean alternative fuel vehicles; more than a billion dollars for California renewable energy generation projects, including solar and wind; and grants for California colleges and universities.

- *Proposition 10 will clean our air.*

Studies conducted by the California Air Resources Board found diesel exhaust fumes contribute to thousands of premature deaths from cancer each year and will raise healthcare costs by up to \$200 billion by the year 2020.

Proposition 10 provides \$1 billion to replace the aging, polluting diesel trucks on our roads with clean trucks that run on electricity, hydrogen, natural gas, or other clean alternative fuels.

- *Proposition 10 provides more money for education—not less.*

Proposition 10 provides \$100 million in grants to California colleges and universities to educate and train workers for green technology jobs. An additional \$500 million is provided for research and development of cheaper and cleaner alternatives to gasoline.

- *Proposition 10 protects our children and California's future.*

Proposition 10 will ensure our kids breathe cleaner air, are less dependent on foreign oil, have alternatives to gasoline-powered vehicles, and use electricity that is generated in California from solar, wind, and other clean renewable sources.

Vote YES on Proposition 10.

**DR. ALAN HENDERSON**, Past President  
American Cancer Society, California Division

**JIM CONRAN**, President  
Consumers First, Inc.

**JOHN D. DUNLAP III**, Former Chair  
California Air Resources Board

# QUICK-REFERENCE GUIDE

**PROP 9** CRIMINAL JUSTICE SYSTEM. VICTIMS' RIGHTS. PAROLE. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

## SUMMARY

*Put on the Ballot by Petition Signatures*

Requires notification to victim and opportunity for input during phases of criminal justice process, including bail, pleas, sentencing and parole. Establishes victim safety as consideration for bail or parole. Fiscal Impact: Potential loss of state savings on prison operations and increased county jail costs amounting to hundreds of millions of dollars annually. Potential net savings in the low tens of millions of dollars annually on parole procedures.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: Crime victims would have additional constitutionally guaranteed rights, such as the right to participate in any public criminal proceedings. Payments of restitution to crime victims would be required without exception, and any funds collected from offenders ordered to pay restitution would go to pay that obligation before any other. Inmates with life sentences who were denied parole would generally have to wait longer before being considered again for release. Some parolees facing revocation and return to prison may no longer be represented by legal counsel. Early release of inmates to reduce prison or jail overcrowding would be restricted in certain circumstances.

**NO** A NO vote on this measure means: Victims will continue to have the statutory right to be notified of certain criminal justice proceedings, such as sentencing and parole proceedings. Whether victim restitution would be ordered would remain subject to a judge's discretion, and the manner in which money collected from defendants is distributed would remain unchanged. Current waiting periods for parole revocation hearings and parole consideration would remain unchanged. All parolees would continue to be entitled to receive legal representation at parole hearings. State and local governments could take steps to release inmates early to reduce jail and prison overcrowding.

## ARGUMENTS

**PRO** California's constitution gives convicted criminals generous rights. Crime victims don't have similar protections. Prop. 9 improves public safety and justice, giving victims enforceable constitutional rights. It saves taxpayers millions and prevents politicians from releasing criminals just to ease overcrowding. It's endorsed by victims, law enforcement, Republicans, and Democrats. Vote YES.

**CON** Prop. 9 asks voters to support victims' rights already protected under state law. The hundreds of millions it drains from state and local government doesn't go to crime victims, it goes toward building more prisons! It places complex, duplicative laws into the Constitution, making modernization nearly impossible. Vote No.

## FOR ADDITIONAL INFORMATION

**FOR**  
Randle Communications  
925 L Street, Suite 1275  
Sacramento, CA 95814  
(916) 448-5802  
Yesonprop9@gmail.com

**AGAINST**  
Richard Rios  
No on Propositions 6 & 9  
555 Capitol Mall, Suite 1425  
Sacramento, CA 95814  
(916) 442-2952  
www.votenoprop9.com

**PROP 10** ALTERNATIVE FUEL VEHICLES AND RENEWABLE ENERGY. BONDS. INITIATIVE STATUTE.

## SUMMARY

*Put on the Ballot by Petition Signatures*

Authorizes \$5 billion in bonds paid from state's General Fund, to help consumers and others purchase certain vehicles, and to fund research in renewable energy and alternative fuel vehicles. Fiscal Impact: State cost of about \$10 billion over 30 years to repay bonds. Increased state and local revenues, potentially totaling several tens of millions of dollars through 2019. Potential state administrative costs up to about \$10 million annually.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: The state could sell \$5 billion in general obligation bonds for various renewable energy, alternative fuel, energy efficiency, and air emissions reduction purposes.

**NO** A NO vote on this measure means: The state would not sell \$5 billion in general obligation bonds for these purposes.

## ARGUMENTS

**PRO** YES ON 10: ENERGY INDEPENDENCE AND CLEAN AIR. PRODUCES more electricity from renewable sources, including solar and wind. GIVES Californians rebates to purchase clean alternative fuel vehicles. GETS polluting diesels off roads. INCREASES grants to California universities to develop cheaper alternatives to gasoline. REQUIRES strict accountability/audits. No new taxes.

**CON** Proposition 10 is special interest legislation which gives away \$10 billion in taxpayer dollars to primarily benefit one company with little accountability and NO guarantees of environmental benefit. Don't hurt our schools and services in a time of budget crisis. Vote NO on Prop. 10!

## FOR ADDITIONAL INFORMATION

**FOR**  
Californians for Energy  
Independence – Yes on Prop. 10  
1415 L Street, Suite 430  
Sacramento, CA 95814  
info@prop10yes.com  
www.prop10yes.com

**AGAINST**  
Consumer Federation of California  
520 S. El Camino Real, Suite 340  
San Mateo, CA 94402  
(650) 375-7840  
www.votenooprop10.com

The provisions of this section shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors:

SECTION 5.3. Section 3044 is added to the Penal Code, to read:

3044. (a) Notwithstanding any other law, the Board of Parole Hearings or its successor in interest shall be the state's parole authority and shall be responsible for protecting victims' rights in the parole process. Accordingly, to protect a victim from harassment and abuse during the parole process, no person paroled from a California correctional facility following incarceration for an offense committed on or after the effective date of this act shall, in the event his or her parole is revoked, be entitled to procedural rights other than the following:

(1) A parolee shall be entitled to a probable cause hearing no later than 15 days following his or her arrest for violation of parole.

(2) A parolee shall be entitled to an evidentiary revocation hearing no later than 45 days following his or her arrest for violation of parole.

(3) A parolee shall, upon request, be entitled to counsel at state expense only if, considering the request on a case-by-case basis, the board or its hearing officers determine:

(A) The parolee is indigent; and

(B) Considering the complexity of the charges, the defense, or because the parolee's mental or educational capacity, he or she appears incapable of speaking effectively in his or her own defense.

(4) In the event the parolee's request for counsel, which shall be considered on a case-by-case basis, is denied, the grounds for denial shall be stated succinctly in the record.

(5) Parole revocation determinations shall be based upon a preponderance of evidence admitted at hearings including documentary evidence, direct testimony, or hearsay evidence offered by parole agents, peace officers, or a victim.

(6) Admission of the recorded or hearsay statement of a victim or percipient witness shall not be construed to create a right to confront the witness at the hearing.

(b) The board is entrusted with the safety of victims and the public and shall make its determination fairly, independently, and without bias and shall not be influenced by or weigh the state cost or burden associated with just decisions. The board must accordingly enjoy sufficient autonomy to conduct unbiased hearings, and maintain an independent legal and administrative staff. The board shall report to the Governor.

SECTION 6. NOTICE OF VICTIMS' BILL OF RIGHTS

SECTION 6.1. Section 679.026 is added to the Penal Code, to read:

679.026. (a) It is the intent of the people of the State of California in enacting this section to implement the rights of victims of crime established in Section 28 of Article I of the California Constitution to be informed of the rights of crime victims enumerated in the Constitution and in the statutes of this state.

(b) Every victim of crime has the right to receive without cost or charge a list of the rights of victims of crime recognized in Section 28 of Article I of the California Constitution. These rights shall be known as "Marsy Rights."

(c) (1) Every law enforcement agency investigating a criminal act and every agency prosecuting a criminal act shall, as provided herein, at the time of initial contact with a crime victim, during follow-up investigation, or as soon thereafter as deemed appropriate by investigating officers or prosecuting attorneys, provide or make available to each victim of the criminal act without charge or cost a "Marsy Rights" card described in paragraphs (3) and (4).

(2) The victim disclosures required under this section shall be available to the public at a state funded and maintained Web site authorized pursuant to Section 14260 of the Penal Code to be known as "Marsy's Page."

(3) The Attorney General shall design and make available in ".pdf" or other imaging format to every agency listed in paragraph (1) a "Marsy Rights" card, which shall contain the rights of crime victims described in subdivision (b) of Section 28 of Article I of the California Constitution, information on the means by which a crime victim can access the web page described in paragraph (2), and a toll-free telephone number to enable a crime victim to contact a local victim's assistance office.

(4) Every law enforcement agency which investigates criminal activity shall, if provided without cost to the agency by any organization classified as a nonprofit organization under paragraph (3) of subdivision (c) of Section 501 of the Internal Revenue Code, make available and provide to every crime victim a "Victims' Survival and Resource Guide" pamphlet and/or video that has been approved by the Attorney General. The "Victims' Survival and

Resource Guide" and video shall include an approved "Marsy Rights" card, a list of government agencies, nonprofit victims' rights groups, support groups, and local resources that assist crime victims, and any other information which the Attorney General determines might be helpful to victims of crime.

(5) Any agency described in paragraph (1) may in its discretion design and distribute to each victim of a criminal act its own Victims' Survival and Resource Guide and video, the contents of which have been approved by the Attorney General, in addition to or in lieu of the materials described in paragraph (4).

SECTION 7. CONFLICTS WITH EXISTING LAW

It is the intent of the People of the State of California in enacting this act that if any provision in this act conflicts with an existing provision of law which provides for greater rights of victims of crime, the latter provision shall apply.

SECTION 8. SEVERABILITY

If any provision of this act, or part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional, the remaining provisions which can be given effect without the invalid or unconstitutional provision or application shall not be affected, but shall remain in full force and effect, and to this end the provisions of this act are severable.

SECTION 9. AMENDMENTS

The statutory provisions of this act shall not be amended by the Legislature except by a statute passed in each house by roll-call vote entered in the journal, three-fourths of the membership of each house concurring, or by a statute that becomes effective only when approved by the voters. However, the Legislature may amend the statutory provisions of this act to expand the scope of their application, to recognize additional rights of victims of crime, or to further the rights of victims of crime by a statute passed by a majority vote of the membership of each house.

SECTION 10. RETROACTIVITY

The provisions of this act shall apply in all matters which arise and to all proceedings held after the effective date of this act.

## PROPOSITION 10

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

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

### PROPOSED LAW

#### THE CALIFORNIA RENEWABLE ENERGY AND CLEAN ALTERNATIVE FUEL ACT.

SECTION 1. Title.

This measure shall be known and may be cited as "The California Renewable Energy and Clean Alternative Fuel Act."

SECTION 2. Findings and declarations.

The people of California find and declare the following:

A. California's excessive dependence on petroleum products threatens our health, our environment, our economy and our national security.

B. Transportation accounts for 40 percent of California's annual greenhouse gas emissions, and we rely on petroleum-based fuels for an overwhelming 96 percent of our transportation needs. This petroleum dependency contributes to climate change and leaves workers, consumers and businesses vulnerable to price spikes from an unstable energy market.

C. The landmark California Global Warming Solutions Act of 2006 requires California to reduce statewide greenhouse gas emissions to 1990 levels by 2020.

D. Governor Schwarzenegger has issued an executive order establishing a groundbreaking low carbon fuel standard that will reduce the carbon intensity of California's passenger vehicle fuels by at least 10 percent by 2020. This standard is expected to triple the state's renewable fuels market and put 20 times the number of alternative fuel or hybrid vehicles on our roads.

E. Government should provide public funds to meet these policy goals by creating incentives for businesses and consumers to conserve energy and use alternative energy sources.

F. A comprehensive alternative energy strategy must be implemented. This strategy should concentrate on three areas: renewable electricity generation, clean alternative fuels for transportation, and energy efficiency

and conservation.

G. A variety of clean domestic fuels are available to power automobiles, including natural gas, cellulosic ethanol, biodiesel and hydrogen.

H. Clean and renewable domestic sources of energy are available for the generation of electricity, including solar, wind, geothermal and tidal power.

I. An effective clean energy strategy must consist of short- and long-term objectives. The strategy must utilize clean energy technologies and clean alternative fuels that are commercially available while investing in clean energy technologies and fuels for the future. Emissions reduction and energy efficiency are an important component of this strategy.

J. Energy conservation will increase as the public is educated in the use of new, clean energy alternatives, such as improved computerized monitoring and control systems, energy-efficient appliances and more efficient engines for vehicles.

K. Local governments can play an important role in educating the public on the use of alternative energy by creating alternative energy demonstration projects in communities throughout California.

L. California's history of technological innovation and entrepreneurship, international leadership in promoting energy efficiency, abundance of world-leading academic institutions, and national leadership in environmental stewardship qualifies California to lead the way into an era of renewable energy and clean alternative fuels.

### SECTION 3. Purpose and intent.

It is the intent of the people of California in enacting this measure to:

A. Invest five billion dollars (\$5,000,000,000) in projects and programs designed to enhance California's energy independence and to reduce our dependence on foreign oil, reduce greenhouse gas emissions, implement the California Global Warming Solutions Act of 2006 and improve air quality.

B. Provide incentives for the engineering, design and construction of facilities and related infrastructure for the large-scale production of electricity using renewable energy technologies, such as solar, wind, geothermal, and tidal power.

C. Provide incentives for individuals and businesses to purchase or lease and install equipment in California for the production of electrical energy utilizing renewable energy technologies.

D. Provide rebates for individuals and businesses to purchase clean alternative energy vehicles, including hybrid, plug-in hybrid and natural-gas-powered vehicles. Funds will also be provided for testing and certification of alternative fuel vehicles and research and development of low-carbon fuels.

E. Provide funds for local governments to create renewable energy demonstration projects and educational projects in their communities.

F. Provide grants to California public universities, colleges and community colleges for the purpose of training students to work with clean and renewable energy technologies.

G. Provide consumer education on the availability and use of clean and renewable energy products and services.

H. Make full use of California's resources and its capability for innovation to develop new ways to meet the state's important long-term goals: the Renewable Portfolio Standard, Control of Greenhouse Gas Emissions and Criteria Air Pollutants from Motor Vehicles and the state's petroleum reduction goals set forth in this act.

I. Ensure that the revenues from this measure are invested wisely in commercially viable technology achieving short-term and longer-term measurable results while supporting research and new technologies, and require mandatory independent audits and annual progress reports so that project administrators are accountable to the people of California.

SECTION 4. Addition of Division 16.6, commencing with Section 26410, to the Public Resources Code. Division 16.6 (commencing with Section 26410) is added to the Public Resources Code, to read:

#### DIVISION 16.6. THE CALIFORNIA RENEWABLE ENERGY AND CLEAN ALTERNATIVE FUEL ACT

##### CHAPTER 1. GENERAL PROVISIONS

26410. This division shall be known and may be cited as "The California Renewable Energy and Clean Alternative Fuel Act."

26411. Each state agency that is designated by this division to administer or expend money appropriated from the California Renewable Energy and Clean Alternative Fuel Fund accounts established pursuant to subdivision (a) of Section 26416 shall perform the following functions in addition to its other powers, duties and responsibilities:

(a) Administer and expend money in the accounts appropriated from the fund within 10 years of the effective date of this act to achieve the objectives of the act from either the proceeds of bonds or other resources of the agency or

the fund accounts. Notwithstanding the preceding, to the maximum extent permitted, reasonable efforts should be used to award the rebates provided by subdivision (a) of Section 26419 within five years of the effective date of this act. The agency shall expend any additional amounts remaining in the fund and appropriated to the agency in furtherance of the purposes of this act.

(b) Adopt milestones to measure the agency's success in meeting the goals of this act. For the purposes of this subdivision, "milestones" means interim goals prescribed by the agency that indicate the nature, level, and timing of progress expected from the implementation of this act.

(c) Ensure the completion of an annual independent financial audit of the agency's operations and issue public reports regarding the agency's activities, including without limitation the expenditures and programs authorized in accordance with this act.

(d) Notwithstanding Section 11005 of the Government Code, accept additional revenue and real and personal property, including, but not limited, to gifts, bequests, royalties, interest, and appropriations to supplement the agency's funding. Notwithstanding Chapter 5 (commencing with Section 26426), donors may earmark gifts for any particular purpose authorized by this act.

(e) Apply for federal matching funds where possible.

(f) Establish standards requiring that all research grants made pursuant to this act shall be subject to intellectual property agreements that balance the opportunity of the State of California to benefit from the patents, royalties, and licenses that result from the research with the need to ensure that such research is not unreasonably hindered by those intellectual property agreements.

(g) Establish procedures, standards, and forms for the oversight of the agency's award of incentives including, but not limited to, grants, loans, loan guarantees, credits, buydowns, and rebates made under this act to ensure compliance with all applicable terms and requirements. The standards shall include periodic reporting, including financial and performance audits, to ensure the purposes of this act are being met.

(h) Adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) as necessary to implement this act.

##### CHAPTER 2. DEFINITIONS

26412. As used in this act, the following terms have the following meanings:

(a) "Buydown" means a cash payment to individual consumers and entities for the purchase of equipment for the production of electrical energy utilizing renewable energy technologies.

(b) "Clean alternative fuel" means natural gas and any fuel that achieves a reduction of at least 10 percent carbon intensity as contained in Governor Schwarzenegger's Executive Order S-01-07.

(c) "Clean alternative fuel vehicle" means a vehicle produced by an original equipment manufacturer or a small volume manufacturer that is powered by a clean alternative fuel and has the ability to meet applicable vehicular emission standards, that, relative to petroleum use, produces no net material increase in air pollution (including global warming emissions and air quality pollutants), water pollution, or any other substances that are known to damage human health, and that meets all applicable safety certifications and standards necessary to operate in California.

(d) "Dedicated clean alternative fuel vehicle" means a clean alternative fuel vehicle, as defined in subdivision (c), that is powered exclusively by biomethane, electricity, hydrogen, natural gas, or propane, or any combination thereof, but which may use no more than 10 percent of diesel for the primary purpose of ignition in a diesel compression cycle engine.

(e) "Energy efficiency technologies" means methods of obtaining greater benefits using less energy, compared with typical current practices in California.

(f) "Full fuel cycle assessment," also known as a "well-to-wheels analysis," means an evaluation and comparison of the full environmental and health impacts of each step in the life cycle of a fuel, including, but not limited to, all of the following:

(1) Feedstock production, extraction, transport, and storage.

(2) Fuel production, distribution, transport, and storage.

(3) Vehicle operation, including refueling, combustion, or conversion, and evaporation.

(g) "Fund" means the California Renewable Energy and Clean Alternative Fuel Fund established by Section 26413.

(h) "Heavy-duty vehicle" means a vehicle of 25,000 or more pounds in gross vehicle weight.

(i) "Heavy-medium-duty vehicle" means a vehicle of 14,000 pounds or

more in gross vehicle weight and less than 25,000 pounds in gross vehicle weight.

(j) “High fuel economy vehicle” means a light-duty vehicle produced by an original equipment manufacturer or a small volume manufacturer that can achieve a combined fuel economy of not less than 45 miles per gallon for highway use as determined by the United States Environmental Protection Agency and that meets the criteria air emission standards of the State Air Resources Board.

(k) “Light-duty vehicle” means a vehicle less than 8,500 pounds in gross vehicle weight that is authorized to be operated on all roads and highways in California.

(l) “Light-medium-duty vehicle” means a vehicle of 8,500 pounds or more in gross vehicle weight and less than 14,000 pounds in gross vehicle weight.

(m) “Original purchaser” means an individual or entity that purchases a new home clean alternative fuel refueling system or an individual consumer or private (non-governmental) entity that purchases a new or repowered clean alternative fuel vehicle produced by an original equipment manufacturer or a small volume manufacturer that is certified by the State Air Resources Board. An original purchaser for purposes of a rebate in connection with a new or repowered clean alternative fuel vehicle under Section 26419 shall include a lessee of a vehicle with a lease term of not less than 24 months.

(n) “Petroleum reduction” means methods of reducing total petroleum use in California either through increased energy efficiency, clean alternative fuels, or a combination of both.

(o) “Rebate” means a cash payment to an original purchaser of a clean alternative fuel vehicle, a dedicated clean alternative fuel vehicle, a high fuel economy vehicle, a very high fuel economy vehicle, or a home clean alternative fuel refueling system pursuant to Section 26419.

(p) “Renewable energy technologies” means energy production techniques, products, or systems, distribution techniques, products, or systems and transportation machinery, products, or systems, all of which solely utilize energy resources that are naturally regenerated over a short time period and delivered directly from the sun (such as thermal, photochemical, and photoelectric), indirectly from the sun (such as wind, hydropower facilities, and photosynthetic energy stored in biomass), or from other natural movements or mechanisms of the environment, such as geothermal, wave, and tidal energy.

(q) “Repowered” means a new or used vehicle that is modified to operate on a system certified by the State Air Resources Board and is powered by a dedicated clean alternative fuel and is produced by an original equipment manufacturer or a small volume manufacturer that is certified by the State Air Resources Board.

(r) “Very high fuel economy vehicle” means a light-duty vehicle produced by an original equipment manufacturer or a small volume manufacturer that can achieve a combined fuel economy of not less than 60 miles per gallon for highway use as determined by the United States Environmental Protection Agency and that meets the criteria air emission standards of the State Air Resources Board.

#### CHAPTER 3. CALIFORNIA RENEWABLE ENERGY AND CLEAN ALTERNATIVE FUEL FUND

26413. The California Renewable Energy and Clean Alternative Fuel Fund is hereby created.

26414. All money deposited into the fund shall be used only for the purposes and in the amounts set forth in this division and for no other purpose.

26415. Except as otherwise expressly provided in this division, upon a finding by the state agency designated by this division to administer or expend money appropriated from the fund that a particular project or program for which money had been allocated or granted cannot be completed, or that the amount that was appropriated, allocated, or granted is in excess of the total amount needed, each such state agency may reappropriate the money for other high-priority needs consistent with this division.

#### CHAPTER 4. ALLOCATION OF FUNDS

26416. (a) Funds in the California Renewable Energy and Clean Alternative Fuel Fund shall be allocated as follows:

(1) One billion two hundred fifty million dollars (\$1,250,000,000) shall be allocated to the Solar, Wind, and Renewable Energy Account, which is hereby created in the fund.

(2) Three billion four hundred twenty-five million dollars (\$3,425,000,000) shall be allocated to the Clean Alternative Fuels Account, which is hereby created in the fund.

(3) Two hundred million dollars (\$200,000,000) shall be allocated to the

Demonstration Projects and Public Education Account, which is hereby created in the fund.

(4) One hundred twenty-five million dollars (\$125,000,000) shall be allocated to the Education, Training, and Outreach Account, which is hereby created in the fund.

(b) Any funds allocated to the accounts established by subdivision (a) that are not encumbered or expended in any fiscal year shall remain in the same account for the next fiscal year.

(c) Money deposited in the accounts of the fund created in subdivision (a) shall, to the maximum extent permitted, be used to supplement, and not to supplant, existing state funding for research, technological development, vocational training and deployment involving renewable energy, clean alternative fuels, and energy efficiency.

(d) Not more than 1 percent of the funds in each account may be expended for the purpose of administering the implementation of the act.

26417. Based on the standards set forth in Section 26418, the funds in the Solar, Wind, and Renewable Energy Account shall be appropriated and expended by the State Energy Resources Conservation and Development Commission for the primary purpose of developing solar, wind, and other means of electrical energy generation using renewable sources to displace traditional generation sources, for the following categories of expenditures:

(a) The sum of two hundred fifty million dollars (\$250,000,000) shall be awarded for market-based incentives, including, but not limited to, conventional, low and zero interest loans, loan guarantees, credits, buydowns and grants, for the purchase or lease and installation of equipment in California for the production of electrical energy utilizing renewable energy technologies, such as solar, wind, geothermal, wave, and tidal power.

(b) The sum of one billion dollars (\$1,000,000,000) shall be awarded for grants and other incentives for the research, development, construction, and production of advanced renewable electric generation technology for the purpose of reducing the cost and greenhouse gas content of California’s in-state electric generation sources and to contribute to the state’s greenhouse gas reduction targets. For purposes of this subdivision, “advanced technologies” means technological advancements in electric generation or storage capacities that have the potential to significantly reduce greenhouse gas emissions in a cost-effective manner, relative to current technologies. “Advanced technologies” include, but are not limited to, large-scale solar thermal, solar voltaic, energy storage, biogas, wave, and tidal current. For purposes of this subdivision, “energy storage” and “storage technologies” means technologies that allow electricity produced by renewable sources during off-peak electric demand hours and utilized during peak electric demand hours.

26418. Standards for Solar, Wind, and Renewable Energy Account Expenditures.

(a) The State Energy Resources Conservation and Development Commission shall make expenditures pursuant to Section 26417 consistent with the goal of improving the economic viability and accelerating the commercialization of renewable electrical energy resources, such as solar, wind, geothermal, wave, and tidal current.

(b) Funding priority shall be given to proposals that utilize solar technology for the production of electrical energy, and not less than 80 percent of the total amount deposited in this account shall be used for such solar technology. Thereafter, priority shall be given to proposals that utilize more abundant renewable electrical energy resources, that offer the greatest potential for technological breakthroughs, and that minimize variable and fixed rate costs.

(c) All expenditures made pursuant to subdivision (b) of Section 26417 shall be based upon a competitive selection process established by the State Energy Resources Conservation and Development Commission. The commission shall, at a minimum:

(1) Ensure that the expenditure is for research in renewable electrical energy technologies or electrical energy efficiency technologies.

(2) Ensure, to the maximum extent permitted, that the expenditure does not supplant funds authorized or appropriated by the Legislature pursuant to Article 11 (commencing with Section 44125) of Chapter 5 of, and Chapter 8.9 (commencing with Section 44270) of, Part 5 of Division 26 of the Health and Safety Code.

(3) Evaluate the quality of the research proposal, the potential for achieving significant results, including consideration of how the expenditure will aid or result in the commercialization, or significant and permanent deployment, of renewable electrical energy technologies and resources, and the time frame for achieving that goal.

(4) Ensure that the expenditure is consistent with any applicable strategic

plan adopted by the State Energy Resources Conservation and Development Commission.

(d) All expenditures made pursuant to subdivision (a) of Section 26417 shall be in accordance with procedures, standards and forms adopted by the State Energy Resources Conservation and Development Commission to substantiate and verify the award of incentives.

26419. Based on the standards set forth in Section 26420, the funds in the Clean Alternative Fuels Account shall be appropriated and expended for the primary purposes of improving air quality, decreasing greenhouse gas emissions, and reducing dependence on foreign oil, for the following categories of expenditures:

(a) Two billion eight hundred seventy-five million dollars (\$2,875,000,000) shall be allocated to the Alternative Fuel Vehicle Rebate Subaccount hereby established in the Clean Alternative Fuels Account, and expended as rebates pursuant to, and in accordance with, subdivision (a) of Section 26420, as follows:

(1) The sum of two thousand dollars (\$2,000) to the original purchaser of any new high fuel economy vehicle. One hundred ten million dollars (\$110,000,000) shall be allocated for this purpose.

(2) The sum of four thousand dollars (\$4,000) to the original purchaser of any new very-high-fuel-economy vehicle. Two hundred thirty million dollars (\$230,000,000) shall be allocated for this purpose.

(3) The sum of ten thousand dollars (\$10,000) to the original purchaser of any new or repowered light-duty dedicated clean alternative fuel vehicle. Five hundred fifty million dollars (\$550,000,000) shall be allocated for this purpose.

(4) The sum of twenty-five thousand dollars (\$25,000) to the first 5,000 original purchasers of any new or repowered light-medium-duty dedicated clean alternative fuel vehicle, and the sum of fifteen thousand dollars (\$15,000) to subsequent original purchasers of such vehicles. The first 5,000 original purchasers shall be determined by the State Board of Equalization based on the date and time of its receipt of requests for rebates. Three hundred ten million dollars (\$310,000,000) shall be allocated for this purpose.

(5) The sum of thirty-five thousand dollars (\$35,000) to the first 10,000 original purchasers of any new or repowered heavy-medium-duty dedicated clean alternative fuel vehicle, and the sum of twenty-five thousand dollars (\$25,000) to subsequent original purchasers of such vehicles. The first 10,000 original purchasers shall be determined by the State Board of Equalization based on the date and time of its receipt of requests for rebates. Six hundred fifty million dollars (\$650,000,000) shall be allocated for this purpose.

(6) The sum of fifty thousand dollars (\$50,000) to the first 5,000 original purchasers of any new or repowered heavy-duty dedicated clean alternative fuel vehicle, the sum of forty thousand dollars (\$40,000) to the subsequent 5,000 original purchasers of such vehicles, and the sum of thirty thousand dollars (\$30,000) to each subsequent original purchaser of such vehicles. The first 5,000 original purchasers and the subsequent 5,000 original purchasers shall be determined by the State Board of Equalization based on the date and time of its receipt of requests for rebates. One billion dollars (\$1,000,000,000) shall be allocated for this purpose.

(7) The sum of two thousand dollars (\$2,000) to the original purchaser of any new clean alternative fuel home refueling appliance. Each purchaser must demonstrate ownership of a clean alternative fuel vehicle utilizing such appliance. Twenty-five million dollars (\$25,000,000) shall be allocated to this category.

(b) Five hundred fifty million dollars (\$550,000,000) shall be allocated to a Clean Alternative Fuel Research, Development, and Demonstration Program Subaccount, hereby established in the Clean Alternative Fuel Research, Development, and Demonstration Program, to be administered and expended by the State Air Resources Board as follows:

(1) The sum of one hundred million dollars (\$100,000,000) shall be available for incentives, including, but not limited to, conventional, low and zero interest loans, loan guarantees, credits, and grants, for the development or demonstration, or both, of dedicated clean alternative fuel vehicles in California and, in addition, those vehicles that combine clean alternative fuels and high efficiency vehicle technology.

(2) The sum of four hundred million dollars (\$400,000,000) shall be available as incentives to support research and development for technologies of efficient and cost-effective production of liquid and gaseous low-carbon and non-carbon fuels. Of this sum, two hundred million dollars (\$200,000,000) shall be available for liquid low-carbon and non-carbon fuel development, and two hundred million dollars (\$200,000,000) shall be available for gaseous low-carbon and non-carbon fuel development.

(3) The sum of fifty million dollars (\$50,000,000) shall be available for incentives, including, but not limited to, conventional, low and zero interest loans, loan guarantees, credits, and grants for reasonable costs associated with the testing and certification of dedicated clean alternative fuel vehicles.

26420. Standards for Clean Alternative Fuels Account Expenditures.

(a) The rebates authorized pursuant to subdivision (a) of Section 26419 shall be implemented in the following manner:

(1) Rebates shall be paid only after funds have been allocated to the Alternative Fuel Vehicle Rebate Subaccount. Notwithstanding the foregoing, qualifying purchases or leases from and after January 1, 2009, shall be eligible to receive rebates promptly after funds have been allocated to the Alternative Fuel Vehicle Rebate Subaccount.

(2) The licensed dealer of a vehicle eligible for a rebate is required, prior to the time of purchase or lease, to provide written notification to the original purchaser of such eligibility and the options, steps, and requirements to obtain the rebate.

(3) An original purchaser entitled to a rebate may either obtain the full amount of the rebate from the State Board of Equalization or, with the written consent of the licensed dealer of the vehicle at the time of purchase or lease, assign the right to receive the rebate to the dealer.

(4) An original purchaser or the original purchaser's assignee electing to obtain the rebate from the State Board of Equalization shall submit proof of residency, proof of purchase or lease, proof that the vehicle is eligible for the rebate and proof of vehicle registration in California. The State Board of Equalization shall adopt such regulations and forms as deemed necessary to administer this provision.

(5) In the event a licensed dealer agrees at the time of purchase or lease to accept the original purchaser's assignment of the right to receive the rebate, the dealer shall notify the State Board of Equalization at the same time the dealer reports the sale or lease to the State Board of Equalization for the purpose of transmitting the sales or use tax owed by the original purchaser. Within five business days of its receipt of the report of sale or lease, the State Board of Equalization shall remit the amount of the rebate to the dealer or credit the dealer's tax prepayment account. The State Board of Equalization shall adopt such forms as necessary to administer and further implement this provision.

(6) The State Board of Equalization shall calculate the sales or use tax applicable to the sale or lease of a vehicle at the full purchase or lease price of the vehicle without regard to any possible rebate under subdivision (a) of Section 26419.

(7) Only one rebate pursuant to subdivision (a) of Section 26419 shall be allowed for a specific vehicle.

(b) For expenditures pursuant to subdivision (b) of Section 26419, the State Air Resources Board shall make expenditures consistent with the goal of reducing the rate of petroleum consumption, and causing permanent and long-term reductions in petroleum consumption in California by not less than 20 percent by 2020 and not less than 30 percent by 2030. In addition, such expenditures shall be based upon a competitive selection process established by the State Air Resources Board. The board shall, at a minimum:

(1) Ensure, to the maximum extent permitted, that the expenditure does not supplant, but supplements, existing state funding for the reduction of petroleum consumption in California.

(2) Ensure, to the maximum extent permitted, that the expenditure does not supplant funds authorized or appropriated by the Legislature pursuant to Article 11 (commencing with Section 44125) of Chapter 5 of, and Chapter 8.9 (commencing with Section 44270) of, Part 5 of Division 26 of the Health and Safety Code.

(3) Evaluate the quality of the proposal for funding, including the availability of private matching funds, and the potential for achieving significant results, including the level of petroleum reduction within the state that is expected to be achieved as a result of the expenditure. Proposals with significant business validation and leverage from private equity funding or subordinate debt funding from private sources shall be prioritized and given preference to establish the market viability of the proposals.

(4) Evaluate the probability that the proposal will result in a sustained, unsubsidized market-competitive technology or technologies that can achieve substantial consumer or business acceptance beyond the subsidy or incentive value.

(5) Ensure that the expenditure is consistent with any applicable strategic plan adopted by the State Air Resources Board.

26421. Based on the standards in Section 26422, the funds in the Demonstration Projects and Public Education Account shall be administered

and expended by the State Energy Resources Conservation and Development Commission for grants in the following amounts to the following local governments for the purpose of capital projects and operating expenses promoting and demonstrating the actual use of alternative and renewable energy in park, recreation, and cultural venues, including the education of students, residents, and the visiting public about these technologies and practices.

(a) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of Los Angeles.

(b) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of San Diego.

(c) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of Long Beach.

(d) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of Irvine.

(e) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City and County of San Francisco.

(f) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of Oakland.

(g) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of Fresno.

(h) The sum of twenty-five million dollars (\$25,000,000) shall be available to the City of Sacramento.

26422. Standards for Demonstration Projects and Public Education Account Expenditures:

(a) The State Energy Resources Conservation and Development Commission shall allocate funds to each public entity identified in Section 26421 upon the entity's submittal and the commission's approval of a proposed capital project and/or operating expense program that complies with and conforms to the purpose specified in Section 26421.

(b) All projects and programs proposed by each public entity identified in Section 26421 shall comply with state content standards for educational programs that serve children in kindergarten and grades 1 to 12, inclusive.

26423. Based on the standards in Section 26424, the funds in the Education, Training, and Outreach Account shall be appropriated and expended by the State Energy Resources Conservation and Development Commission for the following purposes:

(a) Make grants to California public universities, colleges, and community colleges for:

(1) Staff development, training grants, and research to train students to work with and to improve the economic viability and accelerate the commercialization of renewable energy technologies, energy efficiency technologies, and clean alternative fuels in buildings, equipment, electricity generation, and vehicles.

(2) Tuition assistance for low-income students and former fossil fuel energy workers and certified vehicle mechanics to obtain training to work with renewable energy technologies, such as solar, geothermal, wind, wave, and tidal technologies, clean alternative fuels, and energy efficiency technologies, in buildings, equipment, electricity generation, and vehicles.

(b) The sum of twenty-five million dollars (\$25,000,000) shall be available for outreach to provide public information concerning the importance, availability, and accessibility of clean alternative fuels and clean alternative fuel vehicles, energy efficiency devices and technologies, and renewable energy technologies.

(c) Such other programs as may be determined by the State Energy Resources Conservation and Development Commission to advance the purpose and intent of this act consistent with its stated goals and objectives.

26424. Standards for Education, Training, and Outreach Account Expenditures.

(a) The State Energy Resources Conservation and Development Commission shall make expenditures pursuant to Section 26423 consistent with the goals of training students to work with renewable energy technologies, such as solar, geothermal, wind, wave, and tidal power technologies, or energy efficiency technologies, in buildings, equipment, electricity generation, clean alternative fuels, and clean alternative fuel vehicles.

(b) All expenditures made pursuant to Section 26423 shall, as deemed necessary or appropriate by the State Energy Resources Conservation and Development Commission, be based upon a competitive selection process established by the State Energy Resources Conservation and Development Commission.

26425. The Legislature shall enact such legislation as is necessary, if any, to implement this chapter.

#### CHAPTER 5. FISCAL PROVISIONS

26426. Bonds in the total amount of five billion dollars (\$5,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 26435, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes set forth in this division and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

26427. The bond proceeds shall be deposited into the California Renewable Energy and Clean Alternative Fuel Fund created by Section 26413. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of and interest on the bonds as they become due and payable.

26428. The bonds authorized by this division shall be prepared, executed, issued, sold, paid and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all provisions of that law shall apply to the bonds and to this division; provided, however, that the limitations set forth in Section 16727 of the Government Code shall not apply to the bonds and to this division.

26429. (a) Solely for purposes of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the California Renewable Energy and Clean Alternative Fuel Finance Committee is hereby created. For purposes of this division, the California Renewable Energy and Clean Alternative Fuel Finance Committee is "the committee" as that term is defined and used by the State General Obligation Bond Law. The committee shall consist of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For the purposes of this chapter, the Secretary of the Resources Agency shall be "the board" as that term is defined and used by the State General Obligation Bond Law.

26430. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time. The committee shall, to the maximum extent permitted, give priority to the issuance and sale of bonds necessary to allocate funds to the Alternative Fuel Vehicle Rebate Subaccount established in subdivision (a) of Section 26419.

26431. There shall be collected annually in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do so and perform each and every act that is necessary to collect that additional sum.

26432. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund, for purposes of this division, an amount that will equal the total of (a) the sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable, and (b) the sum that is necessary to carry out the provisions of Section 26433, appropriated without regard to fiscal years.

26433. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purposes of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds that would otherwise be deposited in that fund.

26434. All money derived from premium and accrued interest on bonds sold shall be reserved and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

26435. Any bonds issued or sold pursuant to this division may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of the

bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

26436. *The people of California hereby find and declare that inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitation imposed by that article.*

CHAPTER 6. ACCOUNTABILITY

26437. *In addition to any other required reports, the State Energy Resources Conservation and Development Commission, the State Air Resources Board, and the Controller shall each issue an annual report to the Governor, the Legislature, and the public that sets forth their activities and accomplishments relating to this act and future program directions. Each annual report shall include, but not be limited to, the following information: the number and dollar amounts of incentives, including but not limited to grants, loans, loan guarantees, credits, buydowns, and rebates; the recipients of incentives for the prior year; the administrative expenses relating to the act; a summary of research findings, including promising new research areas and technological innovations; and an assessment of the relationship between the award of incentives and any applicable strategic plan.*

SECTION 5. Competing, regulatory alternative.

A. In the event that another measure ("competing measure") appears on the same ballot as this act that seeks to adopt or impose provisions or requirements that differ in any regard to, or supplement, the provisions or requirements contained in this act, the voters hereby expressly declare their intent that if both the competing measure and this act receive a majority of votes cast, and this act receives a greater number of votes than the competing measure, this act shall prevail in its entirety over the competing measure without regard to whether specific provisions of each measure directly conflict with each other.

B. In the event that both the competing measure and this act receive a majority of votes cast, and the competing measure receives a greater number of votes than this act, this act shall be deemed complementary to the competing measure. To this end, and to the maximum extent permitted by law, the provisions of this act shall be fully adopted except to the extent that specific provisions contained in each measure are deemed to be in direct conflict with each other on a "provision-by-provision" basis pursuant to *Yoshisato v. Superior Court* (1992) 2 Cal.4th 978.

SECTION 6. Amendment. The provisions of this act may be amended to carry out its purpose and intent by statutes approved by a two-thirds vote of each house of the Legislature and signed by the Governor.

SECTION 7. Severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

## PROPOSITION 11

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 amends and adds sections to the California Constitution and adds sections to the Government Code; therefore, 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 that they are new.

### PROPOSED LAW

SECTION 1. Title.

This act shall be known and may be cited as the "Voters FIRST Act."

SEC. 2. Findings and Purpose.

The People of the State of California hereby make the following findings and declare their purpose in enacting this act is as follows:

(a) Under current law, California legislators draw their own political districts. Allowing politicians to draw their own districts is a serious conflict of interest that harms voters. That is why 99 percent of incumbent politicians were reelected in the districts they had drawn for themselves in the recent elections.

(b) Politicians draw districts that serve their interests, not those of our communities. For example, cities such as Long Beach, San Jose and Fresno are divided into multiple oddly shaped districts to protect incumbent legislators. Voters in many communities have no political voice because they have been

split into as many as four different districts to protect incumbent legislators. We need reform to keep our communities together so everyone has representation.

(c) This reform will make the redistricting process open so it cannot be controlled by the party in power. It will give us an equal number of Democrats and Republicans on the commission, and will ensure full participation of independent voters—whose voices are completely shut out of the current process. In addition, this reform requires support from Democrats, Republicans, and independents for approval of new redistricting plans.

(d) The independent Citizens Redistricting Commission will draw districts based on strict, nonpartisan rules designed to ensure fair representation. The reform takes redistricting out of the partisan battles of the Legislature and guarantees redistricting will be debated in the open with public meetings, and all minutes will be posted publicly on the Internet. Every aspect of this process will be open to scrutiny by the public and the press.

(e) In the current process, politicians are choosing their voters instead of voters having a real choice. This reform will put the voters back in charge.

SEC. 3. Amendment of Article XXI of the California Constitution.

SEC. 3.1. The heading of Article XXI of the California Constitution is amended to read:

ARTICLE XXI.

REAPPORTIONMENT REDISTRICTING OF SENATE, ASSEMBLY,  
CONGRESSIONAL AND  
BOARD OF EQUALIZATION DISTRICTS.

SEC. 3.2. Section 1 of Article XXI of the California Constitution is amended to read:

SECTION 1. In the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, the Legislature shall adjust the boundary lines of the ~~Senatorial, Assembly, Congressional, and Board of Equalization~~ congressional districts in conformance with the following standards and process:

(a) Each member of the ~~Senate, Assembly, Congress, and the Board of Equalization~~ shall be elected from a single-member district.

(b) The population of all congressional districts of a particular type shall be reasonably equal. *After following this criterion, the Legislature shall adjust the boundary lines according to the criteria set forth and prioritized in paragraphs (2), (3), (4), and (5) of subdivision (d) of Section 2. The Legislature shall issue, with its final map, a report that explains the basis on which it made its decisions in achieving compliance with these criteria and shall include definitions of the terms and standards used in drawing its final map.*

~~(c) Every district shall be contiguous:~~

~~(d) (c) Districts of each type~~ Congressional districts shall be numbered consecutively commencing at the northern boundary of the State and ending at the southern boundary.

~~(e) The geographical integrity of any city, county, or city and county, or of any geographical region shall be respected to the extent possible without violating the requirements of any other subdivision of this section:~~

*(d) The Legislature shall coordinate with the Citizens Redistricting Commission established pursuant to Section 2 to hold concurrent hearings, provide access to redistricting data and software, and otherwise ensure full public participation in the redistricting process. The Legislature shall comply with the open hearing requirements of paragraphs (1), (2), (3), and (7) of subdivision (a) of, and subdivision (b) of, Section 8253 of the Government Code, or its successor provisions of statute.*

SEC. 3.3. Section 2 is added to Article XXI of the California Constitution, to read:

SEC. 2. *(a) The Citizens Redistricting Commission shall draw new district lines (also known as "redistricting") for State Senate, Assembly, and Board of Equalization districts. This commission shall be created no later than December 31 in 2010, and in each year ending in the number zero thereafter.*

*(b) The Citizens Redistricting Commission (hereinafter the "commission") shall: (1) conduct an open and transparent process enabling full public consideration of and comment on the drawing of district lines; (2) draw district lines according to the redistricting criteria specified in this article; and (3) conduct themselves with integrity and fairness.*

*(c) (1) The selection process is designed to produce a Citizens Redistricting Commission that is independent from legislative influence and reasonably representative of this State's diversity.*

*(2) The Citizens Redistricting Commission shall consist of 14 members, as follows: five who are registered with the largest political party in California based on registration, five who are registered with the second largest political party in California based on registration, and four who are not registered with*