

2016

## Revenue Bonds. Statewide Voter Approval. Initiative Constitutional Amendment.

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PROPOSITION **REVENUE BONDS. STATEWIDE VOTER APPROVAL.**  
**53** **INITIATIVE CONSTITUTIONAL AMENDMENT.**

**OFFICIAL TITLE AND SUMMARY**

PREPARED BY THE ATTORNEY GENERAL

- Requires statewide voter approval before any revenue bonds can be issued or sold by the state for certain projects if the bond amount exceeds \$2 billion.
- Applies to any projects that are financed, owned, operated, or managed by the state, or by a joint agency formed between the state and a federal government agency, another state, and/or a local government.
- Prohibits dividing projects into multiple separate projects to avoid statewide voter approval requirement.

**SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:**

- Fiscal impact on state and local governments is unknown and would depend on which projects are affected by the measure, whether they are approved by voters, and whether any alternative projects or activities implemented by government agencies have higher or lower costs than the original project proposal.

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

***State Pays for Infrastructure Projects Using Cash and Borrowing.*** The state builds various types of infrastructure projects like bridges, dams, prisons, and office buildings. In some cases, the state pays for projects on a pay-as-you-go basis using tax revenues received each year. In other cases, the state borrows money to pay for projects, especially for larger projects.

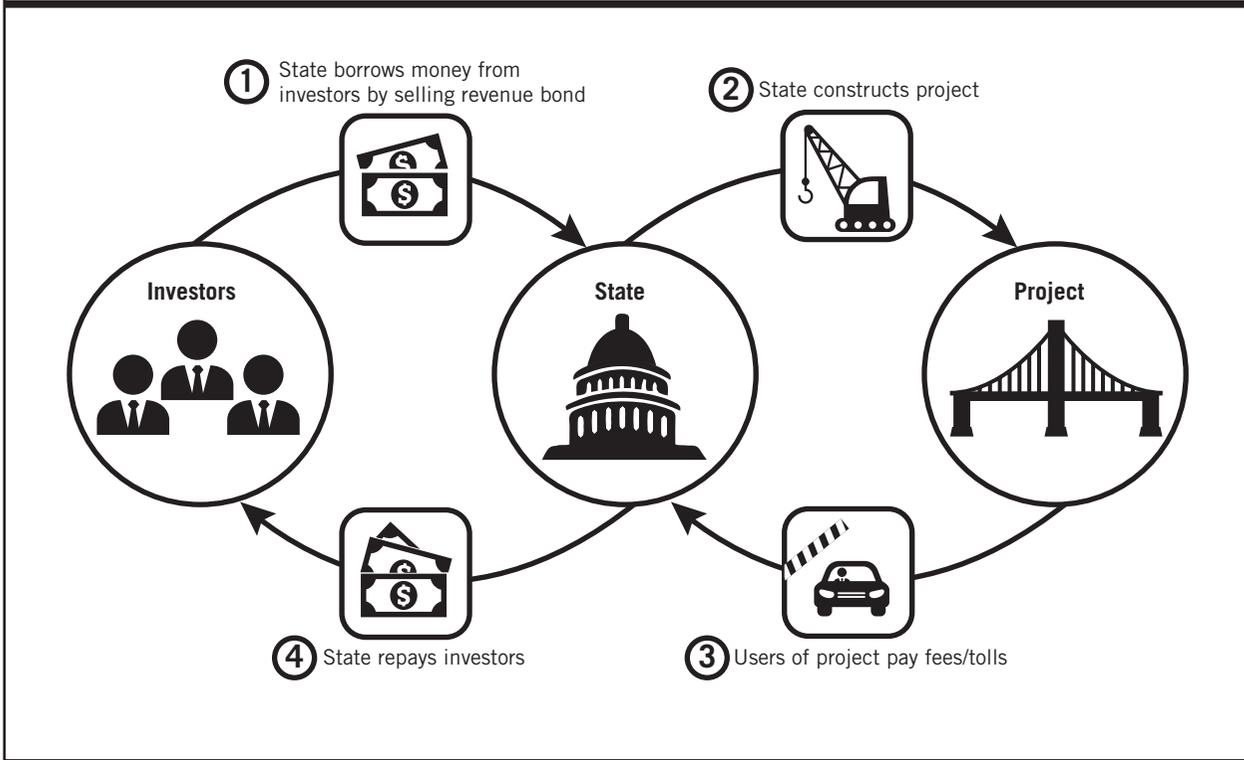
***State Borrows Money Using Bonds.*** The main way the state borrows money is by selling bonds to investors. Over time, the state pays back these investors with interest. The state sells two main types of bonds: general obligation bonds and revenue bonds. The state repays general obligation bonds using the state

General Fund, which is funded primarily by income and sales taxes. In contrast, the state usually repays revenue bonds using revenue from fees or other charges paid by the users of the project (such as from bridge tolls). Figure 1 shows how a state revenue bond generally works. (For more information on the state's use of bonds, see the "Overview of State Bond Debt" later in this voter guide.)

***Voter Approval Not Required for State Revenue Bonds.*** Under the California Constitution, state general obligation bonds need voter approval before the state can use them to pay for a project. State revenue bonds do not need voter approval under existing state law.

Figure 1

How a State Revenue Bond Works



**PROPOSAL**

**Requires Voter Approval of Certain State Revenue Bonds.** The measure requires statewide voter approval of revenue bonds that meet all of the following conditions:

- **State Sells the Revenue Bonds.** Revenue bonds are sold by the state, as well as certain associations that the state creates or in which the state is a member. The statewide voting requirement does not apply to bonds sold by cities, counties, schools, community colleges, and special districts.

- **Bonds Sold for State Project.** The revenue bonds are sold for a project that is funded, owned, operated, or managed by the state. The measure also contains provisions to prevent a single project from being separated into multiple projects to avoid voter approval.
- **Bonds for the Project Exceed \$2 Billion.** The revenue bonds sold for a project total more than \$2 billion. Under the measure, this amount would be adjusted every year for inflation.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

## FISCAL EFFECTS

The measure’s fiscal effects on state and local governments are unknown. It is unlikely there would be very many projects large enough to be affected by the measure’s requirement for voter approval. However, for those projects that are affected, the fiscal effects would depend on what actions the state, local governments, and voters take in response to this measure’s voting requirement.

### Measure Likely to Cover Relatively Few Projects

#### ***Few Projects Cost Over \$2 Billion.***

Relatively few state projects are likely to be large enough to meet the measure’s \$2 billion requirement for voter approval. Two state projects that are over \$2 billion and might use revenue bonds are (1) the California “WaterFix” project, which would build two tunnels to move water through the Sacramento-San Joaquin River Delta; and (2) the California High-Speed Rail project. It is possible other large projects could be affected in the future, such as new bridges, dams, or highway toll roads.

#### ***Uncertain Which Projects Would Be Affected.***

While it is unlikely that very many projects would be large enough to be affected by the measure, there is some uncertainty regarding which projects would be affected. This is because the measure does not define a “project.” As a result, the courts and

the state would have to make decisions about what they consider to be a single project. For example, in some cases a project could be narrowly defined as a single building (like a hospital). In other cases, a project could be more broadly defined as including multiple buildings in a larger complex (like a medical center). A broader definition could result in more projects meeting the \$2 billion requirement, thus requiring voter approval.

### How Government Agencies and Voters Respond Would Affect Costs

#### ***Government and Voters Could Take Different Actions.***

When a proposed project meets this measure’s requirements for voter approval, governments and voters could respond in different ways. These responses, in turn, would determine the fiscal effects, if any, of this measure:

- On the one hand, if the state held an election and voters approved the project, the state could proceed with the project as planned using revenue bonds. As a result, there would be little fiscal effect from this measure.
- On the other hand, if voters rejected the project or the state chose not to hold an election as required by this measure, the state would not be able to use revenue bonds for the project. Without access to revenue bonds, the state and/or

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

local governments might take other actions to meet the concerns the project was intended to address. They might (1) replace the large project with other smaller projects, (2) perform other activities that would reduce the need for the project, or (3) find other ways to pay for the project instead of using revenue bonds. These actions could result in either higher or lower net costs depending on the specific alternatives that governments pursued and how they compared to the original project proposal.

***Some Actions Could Result in Higher Costs.*** Some types of government and voter response to this measure could result in higher costs for the state and local governments. For example, it could be more expensive in some cases for state and local governments to complete several smaller projects than it would have been for the state to build the original large project. This could happen if the large project was a more efficient way to meet the concerns that the project addressed.

The state also could fund a project in a different way than revenue bonds that might be more expensive. For example, the state could partner with a private company that would sell bonds to fund the project. The state would then have to pay back the private company. This could result in higher costs for the state

because the private company would need to make a profit on the project. Also, the private company would probably pay higher interest rates than the state. The private company would likely pass these higher borrowing costs on to the state.

***Some Actions Could Result in Lower Costs.*** Other types of responses could result in lower state and local costs. For example, state and local governments might find ways to make better use of existing infrastructure. For instance, local water agencies might implement water conservation measures, which could reduce the need to build new dams or other projects to provide more water. If existing infrastructure could meet the state's needs adequately with these types of actions, there would be savings from not having to spend the money to build a new project.

The state also could fund a project in a way that might be cheaper than using revenue bonds. For example, the state could borrow money using general obligation bonds. While state general obligation bonds require voter approval, there would be some savings because they have lower interest rates than revenue bonds.

Visit <http://www.sos.ca.gov/measure-contributions> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-16-gen-v2.html> to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 53 ★

Proposition 53, the Stop Blank Checks initiative, is simple. It only does two things:

- 1) It requires California voter approval for STATE projects that would use over \$2 billion in state revenue bonds.
- 2) BEFORE THAT VOTE, it ensures full disclosure of the TOTAL COST of any state revenue bond project greater than \$2 billion.

Currently, other state bonds for water, school and transportation projects require voter approval. But a loophole in state law allows politicians and unaccountable state agencies to circumvent a public vote and borrow BILLIONS in state revenue bond debt for massive state projects WITHOUT VOTER APPROVAL.

Proposition 53 will STOP POLITICIANS FROM ISSUING BLANK CHECK DEBT to complete billion dollar state boondoggles. Take California's bullet train. They told us it would cost California taxpayers \$10 billion. Now we know it's going to cost more than \$60 billion! Yet, you don't have a right to vote on that huge increase!

Right now, there is NO VOTE BY THE LEGISLATURE OR THE PEOPLE required to issue these massive state mega-bonds. Unelected and unaccountable state bureaucrats have all the power and you have to pay through higher water rates or increased fees!

Proposition 53 says IF YOU HAVE TO PAY, YOU SHOULD HAVE A SAY.

Proposition 53 just GIVES YOU A VOICE, A VOTE, added TRANSPARENCY, and it HOLDS POLITICIANS ACCOUNTABLE. That's it! Read the initiative for yourself.

Proposition 53 STOPS POLITICIANS FROM LYING about the real cost of state mega-projects. Willie Brown, once the state's most powerful politician, wrote that lowballing initial budgets is commonplace with public projects. He said, "The idea is to get going. Start digging a hole and make it so big, there's no alternative to coming up with the money to fill it in."

Despite the scare tactics of the politicians, bureaucrats and corporations that feed off of the state's public debt, Proposition 53 DOES NOT IMPACT LOCAL PROJECTS, the University of California, freeway construction or needed response after a natural disaster.

Proposition 53 SIMPLY APPLIES THE LONG-STANDING CONSTITUTIONAL PROTECTION against politicians imposing higher debt without voter approval to MASSIVE STATE REVENUE BONDS.

Proposition 53 just ENSURES FULL BUDGET DISCLOSURE AND VOTER APPROVAL of state revenue bonds for California's mega-bucks projects that will affect future generations.

Join California's leading state and local taxpayer organizations, small businesses, working families and nearly one million Californians who put Proposition 53 on the ballot. Vote YES on 53!

**DINO CORTOPASSI**, Retired farmer

**JON COUPAL**, President

Howard Jarvis Taxpayers Association

**JOHN MCGINNESS**, Elected Sheriff (Retired)

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 53 ★

Prop. 53 doesn't give you a say. Quite the opposite. Prop. 53 erodes your voice and the voice of your community. Please read it for yourself.

**PROP. 53 ERODES LOCAL CONTROL BY FORCING STATEWIDE VOTES ON SOME LOCAL PROJECTS**

Local government groups representing California's cities, counties and local water districts, including the League of California Cities and Association of California Water Agencies, oppose this measure, warning it could give voters in faraway regions the power to deny local projects your community needs.

**PROP. 53 DOES NOT INCLUDE AN EXEMPTION FOR EMERGENCIES/DISASTERS**

California Professional Firefighters warns Prop. 53's failure to contain an exemption for emergencies "could delay our state's ability to rebuild critical infrastructure following earthquakes, wildfires, floods or other natural disasters."

**PROP. 53 WOULD JEOPARDIZE MUCH NEEDED REPAIRS TO WATER SUPPLY, BRIDGES, AND OTHER CRITICAL INFRASTRUCTURE**

Prop. 53 will jeopardize your community's ability to fix aging infrastructure, including improving water supply, making bridge and freeway safety repairs, and renovating

hospitals to make them earthquake safe.

**PROP. 53 IS A SELF-INTEREST ABUSE OF THE INITIATIVE PROCESS**

Prop. 53 is a multi-million dollar attempt to stop one single project. We cannot allow one well-financed individual to abuse the initiative process and jeopardize vital infrastructure and safety projects around the state.

**PROP. 53 IS OPPOSED BY A BROAD, BIPARTISAN COALITION OF ORGANIZATIONS INCLUDING:**

- California Professional Firefighters • California State Sheriffs' Association • Association of California Water Agencies • California Hospital Association • League of California Cities • Firefighters, paramedics, family farmers, environmentalists, nurses, cities, counties, local water districts, and law enforcement.

[www.NoProp53.com](http://www.NoProp53.com)

**LOU PAULSON**, President  
California Professional Firefighters

**KEITH DUNN**, Executive Director  
Self-Help Counties Coalition

**SHERIFF DONNY YOUNGBLOOD**, President  
California State Sheriffs' Association

★ ARGUMENT AGAINST PROPOSITION 53 ★

PROP. 53 ERODES LOCAL CONTROL AND CONTAINS NO EXEMPTION FOR EMERGENCIES/NATURAL DISASTERS

Prop. 53 is opposed by a broad, bipartisan coalition of organizations including California Professional Firefighters, California Chamber of Commerce, California Hospital Association, firefighters, paramedics, family farmers, environmentalists, nurses, law enforcement, and local governments because it would erode local control and jeopardize vital infrastructure improvements in communities across California.

ERODES LOCAL CONTROL BY REQUIRING STATEWIDE VOTE FOR SOME LOCAL PROJECTS

Groups representing California's cities, counties and local water agencies, including League of California Cities and Association of California Water Agencies, all oppose Prop. 53. Under this measure, cities and towns that come together to form a joint powers agency or similar body with the state to build needed infrastructure could have to put their local project on a statewide ballot. That means voters in faraway regions could veto some local projects your community needs and supports—like water storage or bridge safety repairs—even though those voters don't use or care about your local improvements.

NO EXEMPTION FOR EMERGENCIES OR NATURAL DISASTERS  
California Professional Firefighters, representing 30,000 firefighters and paramedics, warns: *"Prop. 53 irresponsibly fails to contain an exemption for natural disasters or major emergencies. That flaw could delay our state's ability to rebuild critical infrastructure following earthquakes, wildfires, floods or other natural or man-made disasters."*

THREATENS WATER SUPPLY AND DROUGHT PREPAREDNESS  
The Association of California Water Agencies says: *"Prop. 53 could threaten a wide range of local water projects including storage, desalination, recycling and other vital projects to protect our water supply and access to clean, safe drinking water. Prop. 53 will definitely impede our ability to prepare for future droughts."*

JEOPARDIZES ABILITY TO REPAIR OUTDATED INFRASTRUCTURE

Our communities already suffer from a massive backlog of local infrastructure needs, including improving water supply and delivery, making safety repairs to bridges, overpasses and freeways, and renovating community hospitals to make them earthquake safe. Prop. 53 will jeopardize local communities' ability to repair aging infrastructure. The California State Sheriffs' Association says: *"Reliable infrastructure is critical to public safety. This measure erodes local control and creates new hurdles that could block communities from upgrading critical infrastructure such as bridges, water systems and hospitals."*

FINANCED AND PROMOTED BY MULTI-MILLIONAIRE WITH A PERSONAL AGENDA

This measure is financed entirely by one multi-millionaire and his family, who are spending millions in an attempt to disrupt a single water infrastructure project. Irrespective of one's position on that single project, his initiative has far-reaching, negative implications for other infrastructure projects throughout California. We cannot allow one multi-millionaire to abuse the initiative system to push his narrow personal agenda.

OPPOSED BY A BROAD BIPARTISAN COALITION:

• California Professional Firefighters • California State Sheriffs' Association • Association of California Water Agencies • League of California Cities • California Hospital Association • California Chamber of Commerce  
Prop. 53 is a misguided measure that:

• Erodes local control by requiring a statewide vote on some local projects. • Disrupts our ability to build critically needed water storage and supply. • Contains no exemptions for emergencies/natural disasters.

[www.NoProp53.com](http://www.NoProp53.com)

**LOU PAULSON**, President  
California Professional Firefighters

**TIM QUINN**, Executive Director  
Association of California Water Agencies

**MARK GHILARDUCCI**, Director  
California Office of Emergency Services

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 53 ★

Proposition 53 trusts voters. Proposition 53's opponents are afraid of voters.

OPPONENTS INCLUDE SPECIAL INTERESTS WHO HAVE FOUGHT TAX REFORM FOR DECADES, EVEN PROPOSITION 13. They include insiders who profit from massive state revenue bond projects, and politicians and bureaucrats who don't trust you to decide whether to approve boondoggles like the \$64 billion bullet train and the \$6 billion Bay Bridge fiasco that now requires \$6 tolls.

IF TAXPAYERS HAVE TO PAY, THEY SHOULD HAVE A SAY! Prop. 53 holds politicians accountable by giving you a vote on state mega-projects paid for by state revenue bonds over \$2 billion. Voters will have the right to decide, just as we do with all other kinds of state bonds. And Prop. 53 finally unmask the true cost of all multibillion dollar state bonds.

PROP. 53 TRUSTS VOTERS to decide whether to approve the massive multibillion dollar increase in the bullet train's price tag.

PROP. 53 TRUSTS VOTERS—California taxpayers—to

decide by a simple majority whether to spend \$17 billion to tunnel water under the Delta to Southern California. PROP. 53 WOULD HAVE TRUSTED VOTERS to decide whether extravagant design changes on the Bay Bridge were worth \$5 billion in cost overruns and outrageous tolls that working families can't afford.

Prop. 53 clearly exempts local projects. Read it yourself at [www.YESon53.com](http://www.YESon53.com).

The Sacramento Bee said Prop. 53 won't hurt disaster relief because *" . . . emergency repairs are traditionally paid for by the federal government or other sources—not revenue bonds."*

IF YOU TRUST TAXPAYERS AND VOTERS more than lobbyists, politicians and bureaucrats, VOTE YES ON PROPOSITION 53!

**JON COUPAL**, President  
Howard Jarvis Taxpayers Association

**KAREN MITCHOFF**, Contra Costa County Supervisor

**MAURY HANNIGAN**, California Highway Patrol Commissioner (Retired)

(d) *The proceeds of the fee imposed by the act and all interest earned on such proceeds shall not be considered revenues, General Fund revenues, General Fund proceeds of taxes, or allocated local proceeds of taxes, for purposes of Sections 8 and 8.5 of this article or for the purposes of Article XIII B. The appropriation of the proceeds in the trust fund referred to in the act for hospital services to Medi-Cal beneficiaries or other beneficiaries in any other similar federal program shall not be subject to the prohibitions or restrictions in Sections 3 or 5 of this article.*

SEC. 4. Amendments to Medi-Cal Hospital Reimbursement Improvement Act of 2013.

SEC. 4.1. Section 14169.72 of the Welfare and Institutions Code is amended to read:

14169.72. This article shall become inoperative if any of the following occurs:

(a) The effective date of a final judicial determination made by any court of appellate jurisdiction or a final determination by the United States Department of Health and Human Services or the federal Centers for Medicare and Medicaid Services that the quality assurance fee established pursuant to this article, or Section 14169.54 or 14169.55, cannot be implemented. This subdivision shall not apply to any final judicial determination made by any court of appellate jurisdiction in a case brought by hospitals located outside the state.

(b) The federal Centers for Medicare and Medicaid Services denies approval for, or does not approve on or before the last day of a program period, the implementation of Sections 14169.52, 14169.53, 14169.54, and 14169.55, and the department fails to modify Section 14169.52, 14169.53, 14169.54, or 14169.55 pursuant to subdivision (d) of Section 14169.53 in order to meet the requirements of federal law or to obtain federal approval.

(c) *The Legislature fails to appropriate moneys in the fund in the annual Budget Act, or fails to appropriate such moneys in a separate bill enacted within thirty (30) days following enactment of the annual Budget Act. A final judicial determination by the California Supreme Court or any California Court of Appeal that the revenues collected pursuant to this article that are deposited in the fund are either of the following:*

(1) *“General Fund proceeds of taxes appropriated pursuant to Article XIII B of the California Constitution,” as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.*

(2) *“Allocated local proceeds of taxes,” as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.*

(d) The department has sought but has not received federal financial participation for the supplemental payments and other costs required by this article for which federal financial participation has been sought.

(e) A lawsuit related to this article is filed against the state and a preliminary injunction or other order has been issued that results in a financial disadvantage to the state. For purposes of this subdivision, “financial disadvantage to the state” means either of the following:

(1) A loss of federal financial participation.

(2) *A net cost to the General Fund cost incurred due to the act that is equal to or greater than one-quarter of 1 percent*

~~of the General Fund expenditures authorized in the most recent annual Budget Act.~~

(f) The proceeds of the fee and any interest and dividends earned on deposits are not deposited into the fund or are not used as provided in Section 14169.53.

(g) The proceeds of the fee, the matching amount provided by the federal government, and interest and dividends earned on deposits in the fund are not used as provided in Section 14169.68.

SEC. 4.2. Section 14169.75 of the Welfare and Institutions Code is amended to read:

~~14169.75. Notwithstanding subdivision (k) of Section 14167.35, subdivisions (a), (i), and (j) of Section 14167.35, creating the fund, are not repealed and shall remain operative as long as this article remains operative. Notwithstanding Section 14169.72, this article shall become inoperative on January 1, 2018. A hospital shall not be required to pay the fee after that date unless the fee was owed during the period in which the article was operative, and payments authorized under Section 14169.53 shall not be made unless the payments were owed during the period in which the article was operative.~~

SEC. 5. General Provisions.

(a) If any provision of this measure, or any part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this measure are severable.

(b) This measure is intended to be comprehensive. It is the intent of the people that in the event this measure or measures relating to the same subject shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

**PROPOSITION 53**

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 a section to the California Constitution; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

**PROPOSED LAW**

SECTION 1. Title.

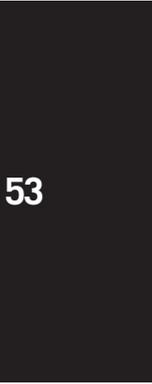
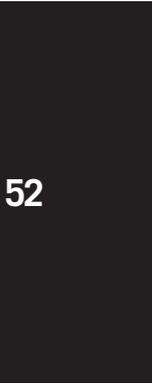
This act shall be known and may be cited as the No Blank Checks Initiative.

SEC. 2. Findings and Declarations.

The people of the State of California find and declare as follows:

(a) The politicians in Sacramento have mortgaged our future with long-term bond debt obligations that will take taxpayers, our children, and future generations decades to pay off.

(b) Under current rules, the sale of state bonds only needs to be approved by voters if they will be repaid out of the state’s general revenues. But state politicians can sell



billions of dollars of additional bond debt without ever getting the voters' approval if the bonds will be repaid with specific revenue streams or charges imposed directly on Californians like taxes, fees, rates, tolls, or rents. The politicians should not be allowed to issue blank checks Californians have to pay for. Voters must provide prior approval for all major state bond sale decisions, because voters are the ones who ultimately pay the bill.

(c) According to a 2014 report from California's independent, nonpartisan Legislative Analyst's Office, the State of California is carrying \$340 billion in public debt. (Legislative Analyst's Office, "Addressing California's Key Liabilities," Mar. 7, 2014.) Interest and principal payments on our long-term debt obligations will cripple the state if we keep spending the way we do now—reducing cash available for public safety, schools, and other vital state programs.

(d) Moreover, voters are rarely told the true costs of bond-funded projects. We were originally told that the bullet train would cost \$9 billion. But now the estimated cost has ballooned to nearly \$70 billion. (Los Angeles Times, "The Hazy Future of California's Bullet Train," Jan. 14, 2014.)

(e) This measure puts the brakes on our state's public debt crisis by giving the voters a say in all major state bond debt proposals that must be repaid through specific revenue streams or charges imposed directly on Californians like taxes, fees, rates, tolls, or rents.

#### SEC. 3. Statement of Purpose.

The purpose of this measure is to bring the state's public debt crisis under control by giving the voters a say in all major state bond-funded projects that will be paid off through specific revenue streams or higher taxes, fees, rates, tolls, or rents collected from Californians, their children, and future generations.

SEC. 4. Section 1.6 is added to Article XVI of the California Constitution, to read:

*SEC. 1.6. (a) Notwithstanding any other provision of law, all revenue bonds issued or sold by the State in an amount either singly or in the aggregate over two billion dollars (\$2,000,000,000) for any single project financed, owned, operated, or managed by the State must first be approved by the voters at a statewide election. "State" means the State of California, any agency or department thereof, and any joint powers agency or similar body created by the State or in which the State is a member. "State" as used herein does not include a city, county, city and county, school district, community college district, or special district. For purposes of this section, "special district" refers only to public entities formed for the performance of local governmental functions within limited boundaries.*

*(b) A single project for which state revenue bonds are issued or sold in an amount over two billion dollars (\$2,000,000,000) may not be divided into, or deemed to be, multiple separate projects in order to avoid the voter approval requirements contained in this section. For purposes of this section, multiple allegedly separate projects shall be deemed to constitute a single project including, but not limited to, in the following circumstances:*

*(1) Where the allegedly separate projects will be physically or geographically proximate to each other; or*

*(2) Where the allegedly separate projects will be physically joined or connected to each other; or*

*(3) Where one allegedly separate project cannot accomplish its stated purpose without the completion of another allegedly separate project.*

*(c) The two billion dollar (\$2,000,000,000) threshold contained in this section shall be adjusted annually to reflect any increase or decrease in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U) published by the United States Bureau of Labor Statistics. The Treasurer's Office shall calculate and publish the adjustments required by this subdivision.*

#### SEC. 5. Liberal Construction.

This act shall be liberally construed in order to effectuate its purposes.

#### SEC. 6. Conflicting Measures.

(a) In the event that this measure and another measure or measures relating to voter approval requirements for state bonds shall appear on the same statewide election ballot, the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure or measures shall be null and void.

(b) If this measure is approved by the voters but superseded in whole or in part by any other conflicting initiative approved by the voters at the same election, and such conflicting initiative is later held invalid, this measure shall be self-executing and given full force and effect.

#### SEC. 7. Severability.

The provisions of this act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this act. The people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any portion of this act or application thereof would be subsequently declared invalid.

#### SEC. 8. Legal Defense.

If this act is approved by the voters of the State of California and thereafter subjected to a legal challenge alleging a violation of federal law, and both the Governor and Attorney General refuse to defend this act, then the following actions shall be taken:

(a) Notwithstanding anything to the contrary contained in Chapter 6 (commencing with Section 12500) of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this act on behalf of the State of California.

(b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this act. The written affirmation shall be made publicly available upon request.

(c) A continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of

retaining independent counsel to faithfully and vigorously defend this act on behalf of the State of California.

## PROPOSITION 54

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 sections of the California Constitution and amends 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 California Legislature Transparency Act.

#### SEC. 2. Findings and Declarations.

The people of the State of California hereby find and declare that:

(a) It is essential to the maintenance of a democratic society that public business be performed in an open and public manner, and highly desirable that citizens be given the opportunity to fully review every bill and express their views regarding the bill's merits to their elected representatives, before it is passed.

(b) However, last-minute amendments to bills are frequently used to push through political favors without comment or with little advance notice.

(c) Moreover, complex bills are often passed before Members of the Legislature have any realistic opportunity to review or debate them, resulting in ill-considered legislation.

(d) Further, although our State Constitution currently provides that the proceedings of each house and the committees thereof shall be open and public, few citizens have the ability to attend legislative proceedings in person, and many legislative proceedings go completely unobserved by the public and press, often leaving no record of what was said.

(e) Yet, with the availability of modern recording technology and the Internet, there is no reason why public legislative proceedings should remain relatively inaccessible to the citizens that they serve.

(f) Accordingly, to foster disclosure, deliberation, debate, and decorum in our legislative proceedings, to keep our citizens fully informed, and to ensure that legislative proceedings are conducted fairly and openly, our State Constitution should guarantee the right of all persons, including members of the press, to freely record legislative proceedings and to broadcast, post, or otherwise transmit those recordings.

(g) To supplement this right to record legislative proceedings, the Legislature itself should also be required to make and post audiovisual recordings of all public proceedings to the Internet and to maintain an archive of these recordings, which will be a valuable resource for the public, the press, and the academic community for generations to come.

(h) California should also follow the lead of other states that require a 72-hour advance notice period between the

time a bill is printed and made available to the public and the time it is put to a vote, allowing an exception only in the case of a true emergency, such as a natural disaster.

(i) The opportunity for an orderly and detailed review of bills by the public, the press, and legislators will result in better bills while thwarting political favoritism and power grabs.

(j) These measures will have nominal cost to taxpayers, while promoting greater transparency in our legislative proceedings to benefit the people.

#### SEC. 3. Statement of Purpose.

In enacting this measure, the people of the State of California intend the following:

(a) To enable we, the people, to observe through the Internet what is happening and has happened in any and all of the Legislature's public proceedings so as to obtain the information necessary to participate in the political process and to hold our elected representatives accountable for their actions.

(b) To enable we, the people, to record and to post or otherwise transmit our own recordings of those legislative proceedings in order to encourage fairness in the proceedings, deliberation in our representatives' decision-making, and accountability.

(c) To give us, the people, and our representatives the necessary time to carefully evaluate the strengths and weaknesses of the final version of a bill before a vote by imposing a 72-hour public notice period between the time that the final version is made available to the Legislature and the public, and the time that a vote is taken, except in cases of a true emergency declared by the Governor.

#### SEC. 4. Amendments to Article IV of the California Constitution.

SEC. 4.1. Section 7 of Article IV of the California Constitution is amended to read:

SEC. 7. (a) Each house shall choose its officers and adopt rules for its proceedings. A majority of the membership constitutes a quorum, but a smaller number may recess from day to day and compel the attendance of absent members.

(b) Each house shall keep and publish a journal of its proceedings. The rollcall vote of the members on a question shall be taken and entered in the journal at the request of 3 members present.

(c) (1) *Except as provided in paragraph (3), The the proceedings of each house and the committees thereof shall be open and public. The right to attend open and public proceedings includes the right of any person to record by audio or video means any and all parts of the proceedings and to broadcast or otherwise transmit them; provided that the Legislature may adopt reasonable rules pursuant to paragraph (5) regulating the placement and use of the equipment for recording or broadcasting the proceedings for the sole purpose of minimizing disruption of the proceedings. Any aggrieved party shall have standing to challenge said rules in an action for declaratory and injunctive relief, and the Legislature shall have the burden of demonstrating that the rule is reasonable.*

(2) *Commencing on January 1 of the second calendar year following the adoption of this paragraph, the Legislature shall also cause audiovisual recordings to be made of all proceedings subject to paragraph (1) in their entirety, shall make such recordings public through the Internet within*