

Study of California Initiatives

California Online Branch

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January 2012

I. Constitutional Basis for the Initiative Process

The very same 1911 election that granted women the right to vote in California also gave the initiative and referendum power to the electorate through Proposition 7 (see Exhibit 1). A progressive governor and legislators had taken office in 1910 and sought, through this constitutional amendment, to wrest control of state affairs from the railroad and place it in the hands of the people.

Included in Prop. 7, was **Indirect Initiative** which required fewer signatures than Direct Initiative and allowed the legislature to hold hearings, analyze and debate a proposal before voting it into law. This process existed, although seldom used, until 1966 when the electorate abolished it.

II. Description of the Initiatives Process

From “The California Initiative Process: Background and Perspective” by J. Fred Silva (published by the Public Policy Institute of California, 2000):

The direct initiative process practiced in California is relatively simple and straight forward. A proponent drafts a statute or a proposed amendment to the constitution and submits it to the Secretary of State along with a fee of \$200. It is then submitted to the Attorney General for the purpose of providing a title and summary of the proposed initiative. The Office of the Legislative Analyst and the Department of Finance are asked for a fiscal analysis to provide an estimate of the fiscal effect of the measure for the summary. The Attorney General is not authorized to make any changes to the proposal. The Secretary of State then approves it for circulation.

The proponent has 150 days to gather signatures of registered voters in the state. The number of signatures required varies according to the kind of initiative and the number of votes cast for all candidates for governor in the last gubernatorial election. A *statutory initiative* must get signatures equal to 5 percent of that number. The current requirement for a statutory initiative is 419,260 signatures. An *initiative constitutional amendment* must get signatures equal to 8 percent of the vote number. The current requirement for a constitutional amendment is 670,816 signatures [as of the year 2000. It has almost certainly gone up].

The signatures are submitted to county elections officials for a determination of the validity of the signatures. If the Secretary of State determines that there are sufficient valid signatures, the measure will be placed on the ballot for the next general election that is held no longer than 131 days after it qualifies or for a special election held before that general election.

An initiative measure may not include more than a single subject. There is no definition contained in the constitution. The matter of what constitutes a "single" subject has been left to the courts.

...the indirect initiative was part of the California initiative process for 55 years. The procedure applied to statutory initiatives and gave an opportunity for the legislature to deal with the issue presented by the proponents of the initiative. The signature requirement was reduced from 8 to 5 percent of the total votes cast for governor at the last gubernatorial election. This was an incentive to use the indirect initiative process. If the petition contained the requisite number of valid signatures, it was transmitted by the Secretary of State to the legislature. The legislature had 40 days to reject or enact without change the proposed law. If the legislature failed to act within the prescribed time period or rejected the proposed measure, the Secretary of State placed the proposal on the ballot of the next general election. If the legislature approved the proposal and the governor signed it, the measure became law.

The indirect initiative process was used only four times in the state's history. Only once was a measure approved by the legislature. The three measures that the legislature reviewed but did not approve were submitted to the voters. The voters defeated all three measures. The Constitution Revision Commission impaneled in the 1960s reviewed the use of the indirect initiative and recommended its repeal. The voters agreed and the measure was deleted from the Constitution in 1966.

III. Review of Initiatives Passed Since 1980

From Susan Lovenburg's CA Forward blog on 10/11/2011:

On October 10, 1911, California voters went to the polls and overwhelmingly passed a constitutional amendment establishing a statewide initiative and referendum system. More than 1,675 initiatives have circulated since, with 348 qualifying for the ballot. Voters have approved about a third of these. Historically, California voters have used direct democracy to enact change when their elected representatives have been unwilling to do so.

(See Exhibit 2 for Number of Initiatives approved since 1980)

IV. Financial and Budgetary Impacts of These Initiatives

Introduction

An Associated Press release, reporting on the 100 years since political reform through the adoption of the Initiative Process in California, brought our own CA celebration for Women's suffrage into sharp focus with this interesting juxtaposition:

Direct democracy, as the process is referred to, became a means of side-stepping lawmakers. Women had been lobbying the CA Legislature for voting rights since 1879... the people granted them that right in their first CA referendum in 1911. ¹

The influence and impact of money on the initiative process is a very dense topic to study, but taking a shorter synopsis of the financial and budgetary impacts of initiatives from key resources, the analysis can be divided into three segments that give the best overview from which to consider possible reforms:

- Before (The qualifying stage of an initiative)
- During (The campaign to sway voters up to the general election)
- After (the long-term impacts of selected approved initiatives)

Before (The Qualifying stage)

Background: Election code, Sec. 9005, approved by the Legislature in 2005- requires the Legislative Analyst's Office (LAO) to issue a fiscal analysis jointly with the State Department of Finance prior to it being circulated for signature gathering.

Initiatives in California can be placed on the ballot by means of a petition signed by a specified percentage of voters and enacted by a majority of the voters.² A petition is submitted to the Secretary of State which sets forth the text of the proposed statute and is certified to have been signed by electors, equal in number to 5% in the case of a statute, 8% in the case of a constitutional amendment, of the votes for all candidates for Governor at the last gubernatorial election. These percentages have been considered when discussing reforms of the process.

Financial considerations in this phase are several as current and former elected office holders, private individuals, business and labor interests and citizen groups can propose the initiatives. Specialized petition attorneys who are skilled in formulating law can be hired.

Major initiative sponsors can run focus groups and polls prior to drafting a measure in order to maximize public support.

Before circulating a measure, proponents pay a \$200 fee (an amount established in 1942 and never changed), which is refunded if the initiative qualifies for the ballot. ³

(Note: This is a possible area for reform, although a higher fee would not really be a viable reform in this day of big-monied interests and neither would repealing the refund)

Signature gathering: One of the first initiative campaigns was led by the Federation of Labor who concluded, "Depending on volunteer work alone has proven to be very unsatisfactory and the lack of funds to pay persons for soliciting signatures, precincting (which was required then)

¹ Sacramento Bee, Associated Press article, "California Marks 100 years since political reforms", Juliet Williams, Oct. 8, 2011.

² California Department of Justice, Ballot Initiative, FAQs on the website

³ Secretary of State website

and filing same, printing, postage and correspondence, cuts a very important figure in the failure of many proposal reforms to secure a position on the ballot.”⁴

Now fast forward to today and many commentators contend that virtually any initiative can be qualified if the backers have enough money. It currently requires more than \$1 million dollars to qualify a CA statewide initiative using paid circulators, up from \$800,000 in 1988. For example, it cost about \$1.75 million to qualify the California Civil Rights Initiative (Prop 209) for the 1996 ballot. In contrast, Prop 208 (Campaign Finance Reform, which relied half on volunteers and half on paid signature gatherers, cost approximately \$450,000 to qualify. At a minimum all need support salaries for regional coordinators and training, petition printing, mailing, polls, focus groups and verification costs.⁵

The California Research Bureau (CRB) report also digs deeper and examines the two largest signature gathering companies, one in LA and one in Sacramento, reporting that from Fall 1980 to Fall 1988, costs ranged from \$38.92 to \$.05 per signature. The median cost was \$ 1.41 cents. Signature gathering includes costs for crew chiefs and solicitors. Direct mail targeting can also be used but is more expensive (as much as \$10-20 per signature).

Another interesting point comes from a study of successful qualifying initiatives in Nov. 1992: “Nearly 80% of the money contributed to those successful campaigns came from contributors giving more than \$10,000.”⁶ So it’s grown to be an expensive industry used by interest groups with ample monetary resources. The most important financial factor here, though, is that CA Initiative petitions do not disclose the identities of the initiative’s principal financial supporters. This could be an area for a reform proposal, but issues of privacy must be considered.

During (Campaign spending)

The campaign process certainly includes financial considerations. Political lawyers are engaged to draft ballot-pamphlet arguments and ensure proper disclosure of campaign spending.

“Free” media reporting is sparse and virtually non-existent (we all realize that there is no real incentive for any side to present clear information). They are working to gain votes, and paid media advertising reaches the largest audience and is primarily intended to persuade, not necessarily educate. Although CA requires informational legislative hearings be held on initiative proposals, they don’t really garner any press coverage.

Paid media is very expensive. One analysis found disproportionate spending in 17 of 29 campaigns from Nov. 1980 to June 1988. The higher spending sides won 76% of the elections.⁷

⁴ Proceedings of the State Federation of Labor, 1912, pages 91-92 as used in The California Research Bureau (CRB) paper, May 1997.

⁵ “California’s Statewide Initiative Process, California Research Bureau, California State Library, Charlene Wear Simmons, PhD, May, 1997.

⁶ CRB study listed above, pg.9

⁷ Ibid, pg. 10.

Other financial factors include Political Action Committees (PACs), corporate and labor contributions that are all growing in influences in the process. One study showed that 82% of all funds raised in 1992 Initiative campaigns came from those sectors.⁸

Spending varies, of course, but the highest campaigns usually involve issues critical to the business community. One example would be 1988 when \$80 million was spent on campaigns for or against five insurance initiatives. As one would expect, the majority of funding came from the insurance industry, trial lawyers, PACs, and corporations. Bottom line: Large contributors play a central role in financing initiative campaigns.

Another area of large financing during this phase includes the employment of economic analysis and strategy groups (e.g. Prop 71: Stem Cell Research and Cures Initiative commissioned a large (100-page) study of the cost benefits of the initiative for proponents to use as a strategy for targeted messages.⁹

Campaign finance disclosure

Without public financing of campaigns, campaign finance measures become an important tool. Prop 208 actually implemented a law that requires ballot measure advertisements identify any person whose cumulative contributions are \$50,000 or more, or the two highest donors. As well, any committee that supports or opposes a measure must name and identify itself using a name or phrase “that clearly identifies the economic or other special interest of its major donors of \$50,000 or more and they must be clearly identified in the ads (that is usually found at the bottom of the ad and in very very tiny print).

A very brief historical timeline is given to understand California initiative disclosure:

Pre-1974: Basic disclosure: State law requires donors to be reported, but not occupation or employer data; fines are rarely imposed for failing to comply with disclosure laws.

1975: Disclosure with teeth: The Political reform Act of 1974 is enacted by voters and implemented; state law requires timely itemized disclosure of all contributions and expenditures; anonymous contributions are prohibited; a regulatory framework is created and penalties for failing to comply are imposed; the contents of the state ballot pamphlet are expanded to include an impartial analysis by the LAO, and pro/con arguments are included by proponents and opponents.

1996: Enhanced disclosure: Voters enact Prop 208, which imposes several new rules requiring committees to identify their top donors within the committee name and to list top donors in campaign advertisements.

1997: Online disclosure: Senate Bill 49/Karnette is enacted and implemented in 2000; committees raising or spending \$50,000 or more must file electronically. Reports are available online in PDF format with limited search capabilities.

2000: Accelerated disclosure: The legislature places Prop 34 on the ballot which is approved by voters and, among other provisions, requires committees that receive \$5,000 or more within 90 days of an election to report contributions within 10 business days.

⁸ Ibid, pgs 8-12.

⁹ “Economic Impact Analysis: Proposition 71, California Stem Cell Research and Cures Initiative, prepared by Laurence Baker, Health, research and Policy, Stanford University and Bruce Deal, Managing Principal, Analysis Group, Inc.

2001: Even more accelerated disclosure: The legislature enacts Senate Bill 34, which requires \$5,000 or more contributions to be reported within 10 business days year-round.

2003: Searchable disclosure: Secretary of State Kevin Shelley and his staff enhance the Cal-Access website by adding a searchable database of campaign contributions and expenditures, enabling the public to comprehensively search and sort through campaign finance data online.¹⁰

The Political reform division of the California Secretary of State says, “After an initiative or referendum has qualified for the ballot, a central list of all committees formed to support or oppose the measure is created in Cal-Access.”

When anyone wants to raise or spend money to support or oppose a ballot measure, they must form a committee. A committee’s Statement of Organization (Form 410) identifies the proposed ballot measure(s) the committee supports or opposes. Sometimes the information listed on the 410 is not clear enough for the Secretary of State to accurately associate the committee with a ballot measure. Therefore, some measures listings will show “No committees identified.”

To find what committees, if any, have electronically reported forming for or against ballot measures in circulation, one follows this procedure:

1. Locate the committee ID number on the [list of proposed initiatives and referenda in circulation](#).
2. Go to the [Campaign Finance page](#) on the Secretary of state’s website.
3. Enter the committee ID number in the Cal-Access Search box (in the upper left corner of the Campaign finance page) and click the “Go” button.
4. Summary information for the committee will be displayed. One can drill down even farther to access other search options such as general information, contributions received, and contributions made.¹¹

This area of campaign spending has a lot of factors all influencing the process at any particular point in time. Overall, a lot of money is poured into initiative campaigns and even though California has one of the best disclosure laws, there are loopholes.

There is an analysis of the Nov. 3, 1998 General election on the Secretary of State’s website. While this is not indicative of what may be happening in the current political climate, the information does reinforce the importance of money in these campaigns. The upshot of the report: There were 12 ballot measures for that statewide election, five placed on the ballot by the Legislature, and seven by voter petition. The total amount of money raised was \$196,823,595.00 and the total amount spent to influence voters was \$192,929,525. The most expensive measure was Prop 5 (tribal casinos) where \$92 million was spent. This is just one example of the financial impact before and during initiative campaigns.¹²

¹⁰ “Initiative Disclosure Reform: Overview and Recommendations”, Kim Alexander, President and Founder, California Voter foundation for the Greenlining Institute, p. 4.

¹¹ Political reform, Campaign Finance/Cal-Access Search on the secretary of state’s website. Initiatives and Referenda in circulation.

¹² “Financing California’s Statewide Ballot Measures for Nov. 3, 1998 general election, Secretary of State’s website.

After (Fiscal Impact of voter approved measures)

It is important to look at the fiscal consequences of voter-approved measures in order to get a complete picture. The LAO has voiced concerns about the fiscal inflexibility and earmarking of state general funds via the initiative process and our own AAUW CA Legislative Advocate refers to it, as many do, “ballot box budgeting”.¹³

Historically, empirical evidence showed that ballot initiatives, in general, from 1900-1940, were more likely to require increases in expenditures and size of government.

Fiscal impacts of initiatives lead to increases in government spending and taxation, overall. One conclusion states, “Therefore, if initiative makes policy more responsive to public opinion, more often than not, public opinion called for more, not less, government spending from 1960-2000.”¹⁴

The AAUW CA website states, “Passage of some initiatives has often resulted in negative impact on the state budget when revenues are directed toward a single program, such as Prop. 98. It limits the flexibility of the Governor and legislature during the budget process since it mandates a specific percentage of state revenues be dedicated to education.”¹⁵

The process has allowed CA voters to make far-reaching decisions about state spending. Two of the most well known included limiting the amount property taxes can increase through Prop.13, and guaranteeing schools will receive a large part of the state budget through Prop. 98. Most of us are very familiar with these measures, but let’s dig a little deeper.

Proposition 13 limits increases in property tax and reduces legislators’ ability to raise taxes with a simple majority. Let’s look at both parts of the measure.

Property taxes are the major source of revenue for California’s local governments and municipalities, including school districts, community colleges, counties, cities, redevelopment agencies and special districts. Loss of these revenues has had far-reaching consequences, including, but not limited to services such as police and fire. It also impacted school district budgets as well. We are now seeing the result with constant battles for even smaller pieces of the budget pie.

The second part of the measure was actually more devastating and less well known, especially at the time of the election. It has definitely hamstrung our representative process and initiated widespread political gridlock. A sample ballot from the 1978 election now reminds us that the description of the initiative that voters saw, did not even mention this part of the measure. It does not mention the requirement for a two-thirds majority to raise taxes by our legislators.

¹³Ca Legislative analyst’s Office, “ Ballot Initiatives and Constitutional Constraints. Impact on the State Budget and Budgeting Process, Joint Legislative Commtee, Oct. 26, 1990.

¹⁴ State Politics and Policy Quarterly, Winter, 2005.

¹⁵ AAUW CA website, Public Policy section.

While property taxes did in fact plummet 57% after the enactment of Prop 13, the actual ballot did not warn people that if you say yes, it's a potential \$7-8 billion dollar loss to the state. With 20/20 hindsight, most would say that voters were blinded by the state's surplus at the time.¹⁶

Other scholars have correctly pointed out that a measure like Prop 13 was actually a double-edged sword. It did in fact usher in a second California gold rush in the 1980s. The state economy surged and in the 10 years after its passage, incomes in California grew 50% faster than the nation as a whole and jobs grew at twice the national pace. There was certainly an entrepreneurial and commercial explosion at the time.¹⁷

Prop 13's major effect was to save the average homeowner in California tens of thousands of dollars in property tax payments over the last 20 years.¹⁸ But double-edged because younger home buyers pay more and subsidize the tax breaks of long-time homeowners.

The measure also held down property taxes on commercial property with a little known loophole for businesses. A corporation with no majority interest can keep the same property tax base when it sells its property.¹⁹

There are some possible areas of reform, but to date moving the threshold for legislative action from a super-majority (2/3) to a simple majority, have not been supported and have come to symbolize legislative gridlock built in to the two-party system. Closing loopholes may be gaining traction now with the occupy movement, so it is worthy of consideration. It too has been shot down through campaigns funded heavily by the industry.

The other initiative to look at is Prop 98, a complex formula for setting a minimum annual funding level for k-12 schools and community colleges. Here is the short version of an LAO analysis that looked at how it has affected school spending since 1988. The LAO concludes that it has not worked well to provide a predictable and stable growth of funding. For K-14 education, it has in fact brought about year-to-year volatility, which is also linked to the underlying volatility of the economy. Education funding is also dependent upon changes in the state's General Fund revenues, year-to-year.

As it relates to the state budget, Prop 98 requires a large portion of the growth in the general fund be used for K-14 education. The formulas are complex and also include a maintenance factor. We don't need to go into that level of detail for our study, but the LAO found that per pupil spending, even adjusted for inflation, has increased about 14%, but costs have also risen. The education community says there have been cumulative reductions since 2000-01 that resulted in cuts of \$9.8 billion dollars.²⁰

¹⁶ "The Impact of California's Tax Revolt", KPBS radio, Tuesday, February 23, 2010.

¹⁷ "Proposition 13 Then, Now and Forever, Stephen Moore, Director of fiscal policy Studies, Cato Institute.

¹⁸ KPBS radio Transcript cited in footnote 16.

¹⁹ Ibid.

²⁰ LAO, "Proposition 98 Primer," Elizabeth Hill, Legislative analyst.

So there is a very real consequence to voter approved measures, and the long-term effects of ballot box budgeting is certainly a mixed bag.

In closing, money may just be at least one “root” of initiative “evil”.

V. Recommendations

Kim Alexander of the California Voter Foundation wrote a detailed outline of suggested reforms, which is an excellent starting point.²¹

But in our discussion of the issues surrounding the initiative process, several key concerns emerged:

1. Quantity of initiatives. Even though the data shows that most initiatives never get through the signature-gathering phase (see Exhibit 3), from a voter’s perspective there are just too many initiatives on the ballot.

We were conflicted about whether to expand the current 150-day signature-gathering period, as many reformers have suggested. The current timeline favors well-funded organizations that can hire paid signature gatherers, and extending the timeline would assist truly grassroots initiative efforts. But the idea of having more initiatives on the ballot invites even more voter fatigue.

So if there is a legal way to limit the number of paid signature gatherers (we recommend it should be no more than 40% of signatures for an initiative could be from paid gatherers), that is one way to move back to a more grassroots initiative system. To better assist grassroots efforts, allowing online signature gathering would also diminish the advantage of hired signature gatherers.

There should definitely be a higher signature requirement for any initiative that is a constitutional amendment: 10% instead of the current 8%. Counties should be required to verify a random sample of at least 5% of the signatures on initiative petitions instead of the current 3%, and be given adequate time to verify signatures. We recommend 45 days.

To enhance the likelihood that voters will spend the time to research and cast educated votes on initiatives, there should be a maximum number of initiatives that can appear on any given ballot. This would mean that any initiative that qualified for the ballot after the maximum number was filled would be automatically deferred until the next election.

Another option is to require an independent legal review (by a judicial panel of one supreme court judge, one appeals court judge and one federal judge) of all proposed initiatives to assess constitutionality issues before signatures are gathered. Disclosure on the petitions that the panel deemed a proposal to be unconstitutional would likely discourage voters from signing it in the first place, reducing the volume of initiatives that end up on the ballot and, if passed, end up back in court. The panel could also be used to determine whether an initiative is truly a “single

²¹ “Initiative Disclosure Reform: Overview and Recommendations” October 16, 2011:
<http://www.calvoter.org/issues/disclosure/pub/greenliningpaper.pdf>

subject” as required by statute. If the initiative qualified for the ballot, the panel’s assessment should be prominently displayed on ballot materials.

Another way to potentially reduce the number of initiatives on the ballot is to require legislative review of any initiative to give the legislature a chance to pass the law before it ever gets to the ballot. There would have to be controls to ensure that any legislation passed was true to the intent and meaning of the proposed initiative, and not altered by special interests to water it down or substantively modify it.

2. Influence of money on the process. Every effort should be made to find ways to prevent out-of-state funding from influencing the California initiative process. If out-of-state funding can’t legally be prevented, then it should be limited to no more than \$100,000. Even if there is no legal way to limit out-of-state funding, there needs to be full disclosure of all funding sources at every stage of the process. The 2-3 largest funding sources should be identified on the signature-gathering petitions, and the ballot materials should include the identities of any individual or organization that donated \$100,000 or more for/against the initiative. To ensure full disclosure of financial backing, no donations should be allowed after the deadline for printing the ballot materials.

The Secretary of State and State Attorney General should be empowered to ensure rules are followed and enforced, and that ballot materials are clearly written for voters and available online.

3. Financial impact on the state. Since the short and long-term financial impact isn’t always clear when an initiative is first passed, one simple recommendation is to require a sunset date for all initiatives. Any passed initiative that expires at the sunset date could be reintroduced for a vote, at which point the social and financial impact of the measure would be clearer to the voters.

VI. Exhibits

Exhibit 1:

Proposition 7 amended [Section 1 of Article IV](#) of the [California Constitution](#).

Text of [Section 1 of Article IV](#) **before** it was amended by Proposition 7:

The legislative power of this state shall be vested in a senate and assembly, which shall be designated The legislature of the State of California, and the enacting clause of every law shall be as follows: "The People of the State of California, represented in senate and assembly, do enact as follows.

Proposition 7 proposed that the **amended text** of Section 1 say:

The legislative power of this state shall be vested in a senate and assembly which shall be designated "The legislature of the State of California," but the people reserve to themselves the power to propose laws and amendments to the constitution, and to adopt or reject the same, at the polls independent of the legislature, and also reserve the power, at their own option, to so adopt or reject any act, or section or part of any act, passed by the legislature. The enacting clause of every law shall be "The people of the State of California do enact as follows:".

The first power reserved to the people shall be known as the initiative. Upon the presentation to the secretary of state of a petition certified as herein provided to have been signed by qualified electors, equal in number to eight per cent of all the votes cast for all candidates for governor at the last preceding general election, at which a governor was elected, proposing a law or amendment to the constitution, set forth in full in said petition, the secretary of state shall submit the said proposed law or amendment to the constitution to the electors at the next succeeding general election occurring subsequent to ninety days after the presentation aforesaid of said petition, or at any special election called by the governor in his discretion prior to such general election. All such initiative petitions shall have printed across the top thereof in twelve point black-face type the following: "Initiative measure to be submitted directly to the

electors."

Upon the presentation to the secretary of state, at any time not less than ten days before the commencement of any regular session of the legislature, of a petition certified as herein provided to have been signed by qualified electors of the state equal in number to five per cent of all the votes cast for all candidates for governor at the last preceding general election, at which a governor was elected, proposing a law set forth in full in said petition, the secretary of state shall transmit the same to the legislature, within forty days from the time the legislature it shall be subject to referendum, as hereinafter provided. If any law so petitioned for be rejected, or if no action taken upon it by the legislature within said forty days, the secretary of state shall submit it to the people for approval or rejection at the next ensuing general election. The legislature may reject any measure so proposed by initiative petition and propose a different one on the same subject by a yea and nay vote upon separate roll call, and in such event both measures shall be submitted by the secretary of state to the electors for approval or rejection at the next ensuing general election or at a prior special election called by the governor, in his discretion, for such purpose. All said initiative petitions last above described shall have printed in twelve point black-face type the following: "Initiative measure to be presented to the legislature."

The second power reserved to the people shall be known as the referendum. No act passed by the legislature shall go into effect until ninety days after the final adjournment of the session of the legislature which passed such act, except acts calling elections, acts providing for tax levies or appropriations for the usual current expenses of the state, and urgency measures necessary for the immediate preservation of the public peace, health or safety, passed by a two-thirds vote of all the members elected to each house. Whenever it is deemed necessary for the immediate preservation of the public peace, health or safety that a law shall go into immediate effect, a statement of the facts constituting such necessity shall be set forth in one section of the act, which section shall be passed only upon a yea and nay vote, upon a separate roll call thereon; provided, however, that no measure creating or abolishing any

office or changing the salary, term or duties of any officer, or granting any franchise or special privilege, or creating any vested right or interest, shall be construed to be an urgency measure. Any law so passed by the legislature and declared to be an urgency measure shall go into immediate effect.

Upon the presentation to the secretary of state within ninety days after the final adjournment of the legislature of a petition certified as herein provided, to have been signed by qualified electors equal in number to five per cent of all the votes cast for all candidates for governor at the last preceding general election at which a governor was elected, asking that any act or section or part of any act of the legislature, be submitted to the electors for their approval or rejection, the secretary of state shall submit to the electors for their approval or rejection, such act, or section or part of such act, at the next succeeding general election occurring at any time subsequent to thirty days after the filing of said petition or at any special election which may be called by the governor, in his discretion, prior to such regular election, and no such act or section or part of such act shall go into effect until and unless approved by a majority of the qualified electors voting thereon; but if a referendum petition is filed against any section or part of any act the remainder of such act shall not be delayed from going into effect.

Any act, law or amendment to the constitution submitted to the people by either initiative or referendum petition and approved by a majority of the votes cast thereon, at any election, shall take effect five days after the date of the official declaration of the vote by the secretary of state. No act, law or amendment to the constitution, initiated or adopted by the people, shall be subject to the veto power of the governor, and no act, law or amendment to the constitution, initiated or adopted by the people at the polls under the initiative provisions of this section, shall be amended or repealed except by a vote of the electors, unless otherwise provided in said initiative measure; but acts and laws adopted by the people under the referendum provisions of this section may be amended by the legislature at any subsequent session thereof. If any provision or provisions of two or more measures, approved by the electors at the same

election, conflict, the provision or provisions of the measure receiving the highest affirmative vote shall prevail. Until otherwise provided by law, all measures submitted to a vote of the electors, under the provisions of this section, shall be printed, and together with arguments for and against each such measure by the proponents and opponents thereof, shall be mailed to each elector in the same manner as now provided by law as to amendments to the constitution, proposed by the legislature; and the persons to prepare and present such argument shall, until otherwise provided by law, be selected by the presiding officer of the senate.

If for any reason any initiative or referendum measure, proposed by petition as herein provided, be not submitted at the election specified in this section, such failure shall not prevent its submission at a succeeding general election, and no law or amendment to the constitution, proposed by the legislature, shall be submitted at any election unless at the same election there shall be submitted all measures proposed by petition of the electors, if any be so proposed, as herein provided.

Any initiative or referendum petition may be presented in sections, but each section shall contain a full and correct copy of the title and text of the proposed measure. Each signer shall add to his signature his place of residence, giving the street and number if such exist. His election precinct shall also appear on the paper after his name. The number of signatures attached to each section shall be at the pleasure of the person soliciting signatures to the same. Any qualified elector of the state shall be competent to solicit said signatures within the county or city and county of which he is an elector. Each section of the petition shall bear the name of the county or city and county in which it is circulated, and only qualified electors of such county or city and county shall be competent to sign such section. Each section shall have attached thereto the affidavit of the person soliciting signatures to the same, stating his own qualifications and that all the signatures to the attached section were made in his presence and that to the best of his knowledge and belief each signature to the section is the genuine signature of the person whose name it purports to be, and no other affidavit thereto shall be

required. The affidavit of any person soliciting signatures hereunder shall be verified free of charge by any officer authorized to administer oaths. Such petitions so verified shall be prima facie evidence that the signatures thereon are genuine and that the persons signing the same are qualified electors. Unless and until it be otherwise proven upon official investigation. It shall be presumed that the petition presented contains the signatures of the requisite number of qualified electors.

Each section of the petition shall be filed with the clerk or registrar of voters of the county or city and county in which it was circulated, but all said sections circulated in any county or city and county shall be filed at the same time. Within twenty days after the filing of such petition in this office the said clerk, or registrar of voters, shall determine from the records of registration what number of qualified electors have signed the same, and if necessary the board of supervisors shall allow said clerk or registrar additional assistants for the purpose of examining such petition and provide for their compensation. The said clerk or registrar, upon the completion of such examination, shall forthwith attach to said petition, except the signatures thereto appended, his certificate, properly dated, showing the result of said examination and shall forthwith transmit said petition, together with his said certificate, to the secretary of state and also file a copy of said certificate in his office.

Within forty days from the transmission of said petition and certificate by the clerk or registrar to the secretary of state, a supplemental petition identical with the original as to the body of the petition but containing supplemental names, may be filed with the clerk or registrar of voters, as aforesaid. The clerk or registrar of voters shall within ten days after the filing of such supplemental petition make like examination thereof, as the original petition, and upon the completion of such examination shall forthwith attach to said petition his certificate, properly dated, showing the result of said examination, and shall forthwith transmit a copy of said supplemental petition, except the signatures thereto appended, together with his certificate, to the secretary of state.

When the secretary of state shall have received from one or more county clerks or registrars of voters a petition

certified as herein provided to have been signed by the requisite number of qualified electors, he shall forthwith transmit to the county clerk or registrar of voters of every county or city and county in the state his certificate showing such fact. A petition shall be deemed to be filed with the secretary of state upon the date of the receipt by him of a certificate or certificates showing said petition to be signed by the requisite number of electors of the state. Any county clerk or registrar of voters shall, upon receipt of such copy, file the same for record in his office. The duties herein imposed upon the clerk or registrar of voters shall be performed by such registrar of voters in all cases where the office of registrar of voters exists.

The initiative and referendum powers of the people are hereby further reserved to the electors of each county, city and county, city and town of the state, to be exercised under such procedure as may be provided by law. Until otherwise provided by law, the legislative body of any such county, city and county, city or town may provide for the manner of exercising the initiative and referendum powers herein reserved to such counties, cities and counties, cities and towns, and shall not require more than fifteen per cent of the electors thereof to propose any initiative measure nor more than ten per cent of the electors thereof to order the referendum. Nothing contained in this section shall be construed as affecting or limiting the present or future powers of cities or cities and counties having charters adopted under the provisions of section eight or article eleven of this constitution. In the submission to the electors of any measure under this section, all officers shall be guided by the general laws of this state, except as is herein otherwise provided. This section is self- executing, but legislation may be enacted to facilitate its operation, but in no way limiting or restricting either the provisions of this section or the powers herein reserved.

Source:

[http://ballotpedia.org/wiki/index.php/California_Proposition_7,_the_Initiative_%26_Referendum_Amendment_\(October_1911\)](http://ballotpedia.org/wiki/index.php/California_Proposition_7,_the_Initiative_%26_Referendum_Amendment_(October_1911))

Exhibit 2: Approved Initiatives as to Year and Number Approved

Year	Number of Initiative Measures – Constitutional and Statute	Constitutional	Statute
1980	4	2	2
1982	8	1	7
1984	5	1	4
1986	5	1	4
1988	16	2	14
1990	12	4	8
1992	5	1	4
1993	1	1	0
1994	5	0	5
1996	17	2	15
1998	10	1	9
2000	9	2	7
2002	5	1	4
2003	1	1	0
2004	6	1	5
2005	8	3	5

Source: Legislative Analyst's Office website:

http://www.lao.ca.gov/laoapp/ballot_source/ballot_measures_by_type.aspx

Exhibit 3: Summary of California Initiatives between 1912 and 2010:

- A Total of 1,657 initiatives were titled and summarized for **circulation**.
- 1,638 direct initiatives
- 19 indirect initiatives

- A Total of 1,220 initiatives **failed** to qualify for the ballot

- A Total of 348 initiatives **qualified** for the ballot.
 - 1 indirect initiative was adopted by the Legislature

- Of the 348 which qualified, 116 initiatives were **approved** by the voters.
 - 38 approved were constitutional amendments
 - 65 approved were statute revisions
 - 9 approved were constitutional amendments and statutes

- Total of 227 initiatives were **rejected** by the voters.

- Total of 3 initiatives were **removed** from the ballot by court order.

- Total of 89 initiatives were **withdrawn** from circulation.

Source: California Secretary of State website: <http://www.sos.ca.gov/elections/ballot-measures/pdf/summary-data.pdf>