



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **BRUCE McPHERSON**

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Secretary of State Bruce McPherson Certifies Initiative for November 7, 2006 General Election

SACRAMENTO, CA - Secretary of State Bruce McPherson announced today that he has certified an initiative for the November ballot.

Alternative Energy. Research, Production, Incentives. Tax on California Oil. Initiative Constitutional Amendment and Statute.

Establishes \$4 billion program to reduce oil and gasoline usage by 25%, with research and production incentives for alternative energy, alternative energy vehicles, energy efficient technologies, and for education and training. Funded by tax of 1.5% to 6%, depending on oil price per barrel, on producers of oil extracted in California. Prohibits producers from passing tax on to consumers. Program administered by California Energy Alternatives Program Authority. Prohibits changing tax while indebtedness remains. Revenues excluded from Proposition 98 calculations and appropriation limits.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: New state revenues annually - depending on the interpretation of the measure's tax rate provisions - of either about \$200 million or about \$380 million from the imposition of a severance tax on oil production, to be used to fund a variety of new alternative energy programs. Reductions of unknown amounts in: local revenues from property taxes paid on oil reserves, potentially partially offset by state payments to schools to make up their revenue loss; state revenues from income taxes paid by oil producers; and, potentially, state and local revenues from gasoline and diesel excise and sales taxes. (SA2005RF0138, Amdt. #2-S.)

The initiative received 1,143,365 total signatures and qualified during the random sample stage. To qualify by random sample, an initiative must receive a projected 110% of the required number of signatures, which for this initiative was 657,916. The initiative qualified with 705,182 projected valid signatures.

According to the California Constitution, qualified initiatives go before voters in a statewide election held at least 131 days from the date they qualify. The deadline for initiatives to qualify for the November ballot is June 29, 2006.

For more information on the initiatives currently in circulation, please visit the Secretary of State's website at http://www.ss.ca.gov/elections/elections_j.htm.

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