



San Mateo County Chamber of Commerce Alliance

January 2014 Legislative Report

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- **Preview of 2014 Ballot Measures**

Preview of 2014 Ballot Measures

Following is a list of statewide ballot measures that have qualified for the June and November 2014 statewide elections. Once ballot measures receive official proposition numbering; summary, full background, pro and con arguments, and supporting/opposing organization(s) will be listed in future reports. CalChamber position has been listed if public information.

June 2014 Statewide Ballot Measures

- **AB 639 (Chapter 727, 2013), Perez.**
This measure would restructure approximately \$600 million in bonds to help build apartments and houses for low-income veterans. The bond money would come from unused bonding authority from voter approved Proposition 12 (2008).
- **SCA 3 (Chapter 123, 2013), Leno. Public Information.**
This measure would require each local agency to comply with the California Public Records Act and Brown Act.

November 2014 Statewide Ballot Measures

- **SBx7 2. (Chapter 3, 2009), Cogdill.* Safe, Clean, and Reliable Drinking Water Supply Act of 2012.**
**SBx7 2 was amended by AB 1265 (Chapter 126, 2010) Caballero. Safe, Clean, and Reliable Drinking Water Supply Act of 2012: surface storage projects: submission to voters. AB 1265 was amended by AB 153 (Chapter 226, 2010) Hernandez. Safe, Clean, and Reliable Drinking Water Supply Act of 2012: groundwater contamination. AB 153 was amended by AB 1422 (Chapter 74, 2012) Perea. Safe, Clean, and Reliable Drinking Water Supply Act of 2012: submission to voters.
More Information to be provided
CalChamber supports.*
- **ACA 4. (Resolution Chapter 174, 2010), Gatto.* State finance.**
**ACA 4 was moved from the June 2012 Presidential Primary Election to the November 2014 General Election by SB 202 (Chapter 558, 2011) Hancock. Elections: ballot measures. This measure would require the Governor, in his proposed budget, to identify estimated total state resources available to meet recommended state expenditures and, further, identify the amount of those resources that are anticipated to be one-time resources.*
- **Approval of Healthcare Insurance Rate Changes. Initiative Statute.**
*Requires health insurance rate changes to be approved by Insurance Commissioner before taking effect. Requires sworn statement by health insurer as to accuracy of information submitted to Insurance Commissioner to justify rate changes. Provides for public notice, disclosure and hearing on health insurance rate changes, and subsequent judicial review. Does not apply to employer large group health plans. Prohibits health, auto and homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased state administrative costs ranging in the low millions to low tens of millions of dollars annually to regulate health insurance rates, funded with revenues collected from filing fees paid by health insurance companies.
CalChamber opposes.*
- **Referendum to Overturn Indian Gaming Compacts.**
This ballot measure would challenge to a state law previously approved by the Legislature and the Governor. The measure would ratify two gaming compacts (with the North Fork Rancheria of Mono Indians, and the Wiyot Tribe); and it exempts execution of the compacts, certain projects, and intergovernmental agreements from the California Environmental Quality Act.

Following is a list of statewide ballot measures that are currently circulating and MAY qualify for the November 2014 statewide elections. Future reports will include an update as ballot measures qualify. Once ballot measures receive official proposition numbering; summary, full background, pro and con arguments, and supporting/opposing organization(s) will be listed.

Initiative No.	Title of Initiative
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1630. (13-0043)	Public Employees. Pension and Retiree Healthcare Benefits. Initiative Constitutional Amendment.
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Eliminates constitutional protections for vested pension and retiree healthcare benefits for current public employees, including teachers, nurses, and peace officers, for future work performed. Permits government employers to reduce employee benefits and increase employee contributions for future work if retirement plans are substantially underfunded or government employer declares fiscal emergency. Requires government employers whose pension or retiree healthcare plans are less than 80 percent funded to prepare a stabilization report specifying non-binding actions designed to achieve 100 percent funding within 15 years. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Potential net reduction of hundreds of millions to billions of dollars per year in state and local government costs. Net savings-emerging over time-would depend on how much governments reduce retirement benefits and increase salary and other benefits. Increased annual costs-potentially in the hundreds of millions to billions of dollars-over the next two decades for those state and local governments choosing to increase contributions for unfunded liabilities, more than offset by retirement cost savings in future decades. Increased annual costs to state and local governments to develop retirement system funding reports and to modify procedures and information technology. Costs could exceed tens of millions of dollars initially, but would decline in future years.**

1629. (13-0044)	Term Limits for County Assessors, District Attorneys, and Sheriffs. Initiative Constitutional Amendment.
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Establishes four-year terms of office for county assessors, district attorneys, and sheriffs. For charter counties, bars these officers from serving more than three consecutive terms. For general law counties, limits these officers to three terms total. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **No direct fiscal effect on state or local governments.**

1628. (13-0041)	Hospitals. Healthcare Service Charges. Initiative Statute.
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Prohibits hospitals from charging more than 25 percent above the estimated cost of goods and services provided to patients. Requires hospitals to refund excess charges each year, adjusted to account for unreimbursed losses from treating uninsured and low-income patients. Requires hospitals to provide annual patient care expense and revenue reports. Exempts children's hospitals, public hospitals, and veterans' hospitals. Authorizes regulations and fees assessed on hospitals to implement measure, and penalties for non-compliance. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State and local government savings associated with reduced government employer-sponsored health insurance spending on hospital services, potentially ranging from the mid- to high-hundreds of millions of dollars annually, offset to an unknown degree by (1) various responses by insurers and hospitals and (2) possible pressures to increase General Fund spending on Medi-Cal hospital services. Uncertain but potentially significant state and local government costs over the next few years, due to likely decreased revenues from existing limited-term fees on certain private hospitals to (1) offset state costs for children's health coverage and (2) support state and local public hospitals.**

1627. (13-0042)	Nonprofit Hospitals. Executive Compensation. Initiative Statute.
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Prohibits nonprofit hospitals, hospital groups, and hospital-affiliated medical foundations and physicians groups from paying annual compensation (salary, perks, paid time off, bonuses, stock options, etc.) or providing severance packages to executives, managers, and administrators in an amount exceeding the salary and expense allowance of the President of the United States (currently \$450,000). Requires annual public disclosure of ten highest-paid executives and five largest severance packages. Authorizes Attorney General monitoring and enforcement or taxpayer litigation. Penalties for violation include fines, revocation of tax-exempt status, and appointment of Attorney General representative to board of directors. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State administrative costs in the low millions of dollars annually to enforce the measure, with authority to recover costs through fees assessed on nonprofit hospitals.**

1626. (13-0039) Elections. Voter Identification Requirements. Initiative Statute.

Prohibits citizen's vote at the polls from being counted unless he or she presents government-issued photo-identification. Establishes provisional voting for citizens at the polls who fail to present government-issued photo-identification. Requires that provisional ballots and mail-in ballots be deemed invalid unless the accompanying envelope contains the citizen's birthdate, and citizen's identification number or last four digits of driver's license, state identification card, or social security number. Requires that election officials verify this information prior to opening or counting ballot. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased local government elections costs and decreased state fee revenues, potentially in the range of tens of millions of dollars per year. Potentially increased state funding (about \$100 million) to local governments, offset by an equal amount of decreased state funding to local governments in future years.**

1625. (13-0038) Abortion Restriction. Parental Notification and Waiting Period for Females Under 18. Initiative Constitutional Amendment.

Changes California Constitution to prohibit abortion for unemancipated minor until 48 hours after physician or other authorized medical professional notifies her parent/legal guardian in writing. Provides exceptions for medical emergency, parental waiver, or parental abuse documented by notarized statement from law enforcement, protective services, or certain relatives. Permits judge to waive notice if minor appears personally in court and proves maturity or waiver is in her best interest. Requires reporting of specific abortion information to State. Violating medical professionals subject to suit for 12 years. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State administrative costs of at least \$1 million, and potentially several million dollars, annually. Uncertain net fiscal impact on state health and social services programs, potentially in the millions of dollars annually, to the extent the measure results in changes to the abortion and/or birth rates in the state.**

1624. (13-0037) Used Vehicles. Buyer Protection. Initiative Statute.

Requires auto dealers to repair manufacturer-recalled safety defects on used vehicles before sale or lease to consumer. Prohibits dealers from using certain high-pressure tactics, or cancelling or changing vehicle sale or lease contracts at additional buyer expense, after delivery of vehicle. Requires minimum 30-day, 1,000 mile warranty on used vehicles. Limits financial incentives to dealers for arranging vehicle financing. Requires criminal background checks on dealer employees with access to customers' personal information. Imposes liability on dealers for identity theft at dealership. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown but potentially significant net effect on state and local government revenues resulting from changes affecting the sale and financing of vehicles.**

1623. (13-0036) Used Vehicles. Buyer Protection. Initiative Statute.

Requires auto dealers to repair manufacturer-recalled safety defects on used vehicles before sale or lease to consumer. Requires criminal background checks on dealer employees with access to customers' personal information. Imposes liability on dealers for identity theft at dealership. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown but probably not significant net effect on overall state and local government revenues resulting from changes affecting the sale of vehicles.**

1622. (13-0035) Used Vehicles. Buyer Protection. Initiative Statute.

Requires auto dealers to repair manufacturer-recalled safety defects on used vehicles before sale or lease to consumer. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown but probably not significant net effect on overall state and local government revenues resulting from changes affecting the sale of vehicles.** (13-0035.)

1621. (13-0034) State School Funding. Timing of Distributions to Schools. Initiative Statute.

Amends the statutory scheme authorizing distribution and governing timing of payments from the State School Fund, the primary source of annual state funding for schools. Beginning July 1, 2015, requires a three-fourths majority vote of the Legislature to defer payments to schools for more than 30 days, or to amend the statutory scheme in any other way aside from moving up the timing of distributions. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **One-time state costs in 2015-16 of up to \$5.6 billion to eliminate all existing school payment deferrals. Beginning in 2015-16, more predictable cash flow for schools and lower school borrowing costs. In future years, reduced state flexibility to respond to cash or budgetary problems.**

1620. (13-0033) Used Vehicles. Buyer Protection. Initiative Statute.

Requires auto dealers to repair manufacturer-recalled safety defects on used vehicles before sale or lease to consumer. Prohibits dealers from using certain high-pressure tactics, or cancelling or changing vehicle sale or lease contracts at additional buyer expense, after delivery of vehicle. Requires minimum 30-day, 1,000 mile warranty on used vehicles. Limits financial incentives to dealers for arranging vehicle financing. Requires criminal background checks on dealer employees with access to customers' personal information. Imposes liability on dealers for identity theft at dealership. Eliminates New Motor Vehicle Board administrative review of consumer protection violations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown but potentially significant net effect on state and local government revenues resulting from changes affecting the sale and financing of vehicles.**

1619. (13-0031) Firearms Regulation. Initiative Constitutional Amendment.

Amends California Constitution to establish a right to acquire, possess, transport, transfer, and use firearms for lawful purposes, including for defense of self, family, home, and property. Eliminates state firearms owner registration, regulation of ammunition, and assault weapons restrictions. Permits limited state regulation in areas of: possession of firearms and ammunition by, and sale to, the dangerous mentally ill and felons; handguns for those under 21; tefloncoated, armor-piercing, or explosive ammunition; concealed weapons; fully automatic weapons; and background checks. Limits seizure of firearms. Prohibits special taxes or fees on firearm sales, except sales taxes. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown increase in state sales tax revenue due to increased purchases of firearms, ammunition, and accessories. Reduction in local sales tax revenues of several million dollars annually due to the elimination of local sales taxes on firearm-related purchases. Reduction of around \$30 million in annual revenue from fees applied to firearm purchases for various firearm regulation and enforcement activities. Costs for some of these activities would still be incurred by state and local governments if the measure was enacted. Reduction in state and local correctional costs that could eventually exceed a couple million dollars annually.**

1618. (13-0027) Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement. Initiative Statute.

Increases cigarette tax by \$2.00 per pack, with an equivalent increase on other tobacco products. Allocates revenues primarily to increase funding for healthcare programs and services; also for tobacco use prevention and control programs, for tobacco-related disease research, for state and local agencies to enhance tobacco law enforcement, for University of California to train more physicians, and for administrative expenses. If new tax causes decreased tobacco consumption, transfers new tax revenues to offset decrease to existing tobacco-funded programs. Requires biennial independent audit and accounting. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Net increase in cigarette excise tax revenues in the range of \$800 million to \$1.4 billion annually by 2015-16. Revenues would decrease slightly each year thereafter. The funds would be used for health care expenses, tobacco-related prevention and cessation programs, law enforcement programs, and medical research on tobacco-related diseases. Increase in excise tax revenues on other tobacco products under \$100 million annually going mainly to existing health programs. Change in state and local sales tax revenues ranging from a \$70 million loss to a \$70 million gain annually.**

1617. (13-0025, Amdt. #1S) Marijuana Legalization. Initiative Statute.

Legalizes under state law marijuana use, growth, cultivation, possession, transportation, storage, or sale. Creates commission to regulate, and provide business licenses for, marijuana cultivation, sales, processing, transportation, and distribution. Applies retail sales taxes to marijuana, unless exemptions for medical or dietary uses apply. Allocates revenues equally among education, healthcare, law enforcement/fire, drug abuse education/treatment, commission expenses. Prohibits discrimination against marijuana users or businesses. Requires voter approval to zone beyond set limits. Bars state/local aid to enforce federal or state marijuana laws. Exempts existing medical marijuana collectives from licensing, regulatory, and local zoning requirements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Reduced costs in the low hundreds of millions of dollars annually to state and local governments related to enforcing certain marijuana-related offenses, handling the related criminal cases in the court system, and incarcerating and supervising certain marijuana offenders. Potential net additional tax revenues in the low hundreds of millions of dollars annually related to the production and sale of marijuana, a portion of which is required to be spent on education, health care, public safety, drug abuse education and treatment, and the regulation of commercial marijuana activities.**

1616. (13-0032) School Employees. Dismissal or Suspension for Egregious Misconduct. Initiative Statute.

Speeds process and eliminates 4-year statute of limitations to dismiss or suspend school employees accused of egregious misconduct, defined to include child abuse, sexual abuse of minors, sexual assault on minors or adults, and certain drug offenses. Prevents agreements to remove evidence of egregious misconduct from employee's personnel records or not report employee's misconduct to law enforcement or teacher credentialing officials. If employee is dismissed, allows school districts to recover salary paid and disallow retirement service credit earned during proceedings, starting 30 days after written notice of dismissal. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Minor net annual effect on the state, as small additional administrative costs would be offset by small savings related to dismissal hearings and retirement credit. Small annual savings to school districts because of reduced legal expenses, wages, and pension costs.**

1615. (13-0028) Legislature Expansion. Legislative Process. Initiative Constitutional Amendment.

Increases size of Legislature almost 100-fold by dividing current Assembly and Senate districts into neighborhood districts such that each Assemblymember represents about 5,000 persons and each Senator represents about 10,000 persons. Provides for neighborhood district representatives to elect working committees the size of the current Assembly and Senate, 80 Assemblymembers and 40 Senators. Gives working committees the legislative power generally, and sole power to amend bills, but requires approval by appropriate vote of the full membership in each house for passage of any non-urgency bill. Reduces legislators' pay and expenditures. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Decreased state spending on the Legislature of over \$130 million annually. Increased county election costs, potentially in the range of tens of millions of dollars initially and significantly lower amounts annually thereafter.**

1614. (13-0024) Public Assistance Benefits. Eligibility. Initiative Statute.

Requires adult applicants for public assistance benefits to have California driver's license or identification card and child applicants to have birth certificate and social security card. Requires counties and the state to retain copies of such identification documents and monitor subsequent submissions. Requires certain beneficiaries to seek employment for three months before becoming eligible for employment-related assistance. Requires additional state and county steps to identify and facilitate employment for those beneficiaries. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Annual state and local savings, potentially in the hundreds of millions of dollars, from reduced caseloads in the California Work Opportunity and Responsibility to Kids (CalWORKs) program and other public social services programs. Annual state and local costs at least in the tens of millions of dollars to implement a job placement program for CalWORKs recipients and administer additional documentation requirements. One-time state costs in the tens of millions of dollars for various automation changes.**

1613. (13-0022) State Fees on Hospitals. Federal Medi-Cal Matching Funds. Initiative Statutory and Constitutional Amendment.

Increases required vote to two-thirds for the Legislature to amend a certain existing law that imposes fees on hospitals (for purpose of obtaining federal Medi-Cal matching funds) and that directs those fees and federal matching funds to hospital-provided Medi-Cal health care services, to uncompensated care provided by hospitals to uninsured patients, and to children's health coverage. Eliminates law's ending date. Declares that law's fee proceeds shall not be considered revenues for purposes of applying state spending limit or determining required education funding. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State savings from increased revenues that offset state costs for children's health coverage of around \$500 million beginning in 2016-17 (half-year savings) to over \$1 billion annually by 2019-20, likely growing between 5 percent to 10 percent annually thereafter. Increased revenues to support state and local public hospitals of around \$90 million beginning in 2016-17 (half-year) to \$250 million annually by 2019-20, likely growing between 5 percent to 10 percent annually thereafter.**

1612. (13-0021) State School Funding. Timing of Distributions to Schools. Initiative Statute.

Repeals, and re-enacts effective July 1, 2015, the state statute authorizing distribution and governing timing of payments from the State School Fund, the primary source of annual state funding for schools. Requires a three-fourths majority vote of the Legislature to defer payments to schools, or to amend the statute in any other way aside from moving up the timing of distributions. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **One-time state costs in 2015-16 of up to \$5.6 billion to eliminate all existing school payment deferrals. Beginning in 2015-16, more predictable cash flow for schools and lower school borrowing costs. In future years, reduced state flexibility to respond to cash or budgetary problems.**

1611. (13-0020) Constitutional Definition of a Person. Fertilized Human Eggs. Initiative Constitutional Amendment.

Extends constitutional protections of due process and equal protection to all fertilized human eggs by redefining "person" as including each and every human organism from the commencement of biological development. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Potentially significant costs to state and local governments from the establishment of due process and equal protection rights for zygotes, embryos, and fetuses.**

1610. (13-0019) Abortion Restriction. Parental Notification and Waiting Period for Females Under 18. Initiative Constitutional Amendment.

Changes California Constitution to prohibit abortion for unemancipated minor until 48 hours after physician or other authorized medical professional notifies her parent/legal guardian in writing. Provides exceptions for medical emergency, parental waiver, or parental abuse documented by notarized statement from law enforcement, protective services, or certain relatives. Permits judge to waive notice if minor appears personally in court and proves maturity or waiver is in her best interest. Requires reporting of specific abortion information to State. Violating medical professionals subject to suit for 12 years. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Potential unknown net state costs, likely of several million dollars annually, for health and social services programs, court administration, and state health agency administration combined.**

1609. (13-0030) Referendum to Reimpose Different Standards on Clinics Providing Abortion Services than on Other Primary Care Clinics.

If signed by the required number of registered voters and timely filed with the Secretary of State, this petition will place on the statewide ballot a challenge to a state law previously approved by the Legislature and the Governor. The law must then be approved by a majority of voters at the next statewide election to go into effect. The law would repeal regulations that impose different building and licensing standards on clinics providing abortion services than on other primary care clinics.

1608. (13-0029) Referendum to Overturn Law Allowing Specified Licensed Medical Professionals to Perform Early Abortion Procedures.

If signed by the required number of registered voters and timely filed with the Secretary of State, this petition will place on the statewide ballot a challenge to a state law previously approved by the Legislature and the Governor. The law must then be approved by a majority of voters at the next statewide election to go into effect. The law would permit a nurse practitioner, certified nurse-midwife, or physician assistant with a valid license and training to perform specified early abortion procedures.

1607. (13-0018) Tax to Fund Increased Oversight of Timber Industry. Initiative Statute.

Replaces current timber tax with new harvest tax on timber and forest products at rate of 33% of profits on products from public lands and 2% of profits on products from private lands. Exempts certain harvests for fire prevention, for noncommercial use, and of non-timber products. Transfers Department of Forestry and Fire Protection timber harvest oversight responsibilities to new department, which collects and allocates the tax, conducts harvests on public lands, and oversees environmental protection, restoration, and fire mitigation measures. Bars use of tax revenues by other state agencies. Fiscal impact: **It is the opinion of the Legislative Analyst and Director of Finance that the measure would result in a substantial net change in state finances.**

1606. (13-0016) Drug and Alcohol Testing of Doctors. Medical Negligence Lawsuits. Initiative Statute.

Requires drug and alcohol testing of doctors and reporting of positive test to the California Medical Board. Requires Board to suspend doctor pending investigation of positive test and take disciplinary action if doctor was impaired while on duty. Requires doctors to report any other doctor suspected of drug or alcohol impairment or medical negligence. Requires health care practitioners to consult state prescription drug history database before prescribing certain controlled substances. Increases \$250,000 cap on pain and suffering damages in medical negligence lawsuits to account for inflation. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State and local government costs associated with higher net medical malpractice costs, likely at least in the low tens of millions of dollars annually, potentially ranging to over one hundred million dollars annually. Potential net state and local government costs associated with changes in the amount and types of health care services that, while highly uncertain, potentially range from minor to hundreds of millions of dollars annually.**

1605. (13-0014) Bible-Based Speech. Initiative Constitutional Amendment.

Exempts speech based on biblical authority from existing constitutional and statutory restrictions applicable to all other speech, including restrictions against discrimination and hate crimes. Prohibits any compelled speech or action if it would be against the speaker's or actor's beliefs based on biblical authority. Repeals constitutional provision denying protection to acts of religious expression inconsistent with the peace or safety of the State. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Potentially minor increased costs to state and local governments to resolve legal issues pertaining to the effect of the measure.**

1604. (13-0013) Marijuana Legalization. Initiative Statute.

Decriminalizes marijuana and hemp use, possession, cultivation, transportation, or distribution. Requires case-by-case review for persons currently charged with or convicted of nonviolent marijuana offenses, for possible sentence modification, amnesty, or immediate release from prison, jail, parole, or probation. Requires case-by-case review of applications to have records of these charges and convictions erased. Requires Legislature to adopt laws to license and tax commercial marijuana sales. Allows doctors to approve or recommend marijuana for patients, regardless of age. Limits testing for marijuana for employment or insurance purposes. Bars state or local aid to enforcement of federal marijuana laws. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Reduced costs in the low hundreds of millions of dollars annually to state and local governments related to enforcing certain marijuana-related offenses, handling the related criminal cases in the court system, and incarcerating and supervising certain marijuana offenders. Potential net additional tax revenues in the low hundreds of millions of dollars annually related to the production and sale of marijuana and industrial hemp, a portion of which is required to be spent on marijuana-related research and other activities.**

1603. (13-0008, Amdt. #1S) Personally Identifying Information. Confidentiality. Initiative Constitutional Amendment.

Creates presumption that an individual's personally identifying information, including financial or health information, is confidential when collected for a commercial or governmental purpose. Requires collector of personally identifying information to use all reasonably available means to protect it from unauthorized disclosure. Creates presumption of harm when personally identifying information is disclosed without the subject's authorization. Permits disclosure of personally identifying information without authorization if it is publicly available from government records or there is a countervailing compelling interest in disclosure and no other reasonable way to accomplish that interest. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown but potentially significant costs to state and local governments from additional or more costly lawsuits, increased court workload, data security improvements, and changes to information-sharing practices.**

1602. (13-0012) State Fees on Community Hospitals. Federal Medi-Cal Matching Funds. Initiative Constitutional Amendment.

Prohibits state fees on community hospitals imposed for the purpose of obtaining federal Medi-Cal matching funds unless the fee proceeds, any matching federal funds, and their earnings are used only to supplement, and not supplant, existing community hospital Medi-Cal funding. Makes exceptions for use of fee proceeds for costs of collection and administration, and use of certain amounts of fee proceeds for healthcare to children enrolled in Medi-Cal generally. Requires annual audit of funds collected. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **No fiscal impact on state and local governments given that, under current law, no fee would be in place that would be affected by the measure's requirements pertaining to certain fees imposed on hospitals.**

1601. (13-0011) Drug and Alcohol Testing of Doctors. Medical Negligence Lawsuits. Initiative Statute.

Requires drug and alcohol testing of doctors and reporting of positive test to the California Medical Board. Requires Board to suspend doctor pending investigation of positive test and take disciplinary action if doctor was impaired while on duty. Requires health care practitioners to report any doctor suspected of drug or alcohol impairment or medical negligence. Requires health care practitioners to consult state prescription drug history database before prescribing certain controlled substances. Increases \$250,000 cap on pain and suffering damages in medical negligence lawsuits to account for inflation. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State and local government costs associated with higher medical malpractice costs, likely at least in the low tens of millions of dollars annually, potentially ranging to over one hundred million dollars annually. Potential state and local government costs associated with changes in the amount and types of health care services that, while highly uncertain, potentially range from relatively minor to hundreds of millions of dollars annually.**

1600. (13-0010) Electricity. Initiative Statute.

Establishes publicly-owned California Electrical Utility District to provide electric service, replacing most investor-owned utilities, such as PG&E, Southern California Edison, San Diego Gas & Electric, and Bear Valley Electric. Exempts publicly-owned electric utilities, unless they voluntarily elect to join. Requires the District be divided into 11 wards, approximately equal in population. Establishes an 11 member board of directors—one member per ward—each elected for 4-year terms. Grants the District the power to acquire property, construct facilities necessary to supply electricity, set electricity rates, impose taxes, and issue bonds. Fiscal impact: **It is the opinion of the Legislative Analyst and Director of Finance that the measure would result in a substantial net change in state and local finances.**

1599. (13-0009) Nuclear Power. Initiative Statute.

Extends statutory preconditions, currently applicable to new operation of any nuclear powerplant, to existing Diablo Canyon plant. Before further electricity production at any plant, requires California Energy Commission to find federal government has approved technology for permanent disposal of high-level nuclear waste. For nuclear powerplants requiring reprocessing of fuel rods, requires Commission to find federal government has approved technology for nuclear fuel rod reprocessing plants. Both findings are subject to Legislature's rejection. Further requires Commission to find on case-by-case basis facilities will be available with adequate capacity to reprocess or store powerplant's fuel rods. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Potential impacts on state and local finances in the form of decreased revenues and increased costs due to possible electricity price increases and state liabilities. The magnitude of these impacts are uncertain, but could be significant, depending in part on the need for system upgrades for replacement power and whether the state is liable for investment losses. Potential avoidance of major future state and local government costs and lost revenues in the rare event of a major nuclear plant incident.**

1597. (13-0006) Elections. Presidential Primaries. Political Party Offices. Initiative Constitutional Amendment.

Allows all voters in presidential primary elections in California to vote for any candidate, regardless of party affiliation. Gives each political party the option to choose its presidential candidate for the general election ballot based on highest vote received among the party's candidates at the primary election, or based on its own procedures. Eliminates constitutional requirement that the state provide for elections for political party and party central committees. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Unknown, but probably not significant fiscal impact on the state and county governments.**