

September 4, 2015

Hon. Kamala D. Harris
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Ashley Johansson
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative (A.G. File No. 15-0042) related to collecting signatures to qualify proposed initiatives for the ballot and introducing legislation in the Legislature.

Background

Statewide Voter Registration System. Federal law requires the state to develop a centralized, state-managed voter registration database. California's information technology (IT) project to meet this federal mandate is known as VoteCal. The project is expected to be completed by July 2016. Once fully operational, VoteCal will be the official system of record for voter registration in the state. The system is expected to cost more than \$90 million.

Initiative Process. The California Constitution allows voters to propose laws through the initiative process. Under current state law, proponents must pay a \$200 fee when proposing an initiative. This fee is placed in a trust fund and refunded to proponents if the measure qualifies for the ballot. Beginning in January 2016, this filing fee will increase to \$2,000 pursuant to a new law recently approved by the Legislature and the Governor. If a proposed initiative does not qualify for the ballot, the fee is paid into the state's General Fund. In order to qualify a proposed initiative for the ballot, proponents must submit to county elections officials a specified number of signatures in support of the measure. The petitions used to collect these signatures include the title and summary prepared by the Attorney General's Office and the estimated fiscal effects of the measure prepared by the Legislative Analyst's Office and the Department of Finance.

Proposal

Requires Creation of IT System for Electronic Signature Gathering. The measure requires the state and county governments to establish an IT system whereby voters may append additional information to their voter registration including their photograph and a scanned image of their thumbprint. The measure allows proponents of initiatives to collect both electronic and

physical signatures on petitions to qualify a proposed initiative for the ballot. Electronic signatures would be verified by county elections officials pursuant to criteria established by the measure.

Allows Petitions to Be Translated Into Other Languages. When collecting signatures to qualify a proposed initiative for the ballot, the measure allows proponents to circulate petitions that have been translated into any language. Under the measure, any translated petition submitted to county elections officials for signature verification would need to be notarized by a certified translation service provider.

Establishes Fee to Introduce Legislation. Members of the Legislature introduce hundreds of proposed laws to be considered by the Legislature each year. The measure would require Members of the Legislature to pay a fee for each piece of legislation they introduce to the Legislature. This fee would be (1) equal to the filing fee charged to initiative proponents (2) paid using “personal funds,” and (3) put in a trust fund. If the proposed legislation were enacted into law, the fee would be refunded to the legislator. If the proposed legislation were not enacted into law, the fee would be paid into the state’s General Fund.

Fiscal Effects

Although provisions of this measure likely would be subject to legal challenges, our analysis assumes that the measure would be implemented. As we discuss below, the measure would have one-time and ongoing fiscal effects on state and local governments.

One-Time Fiscal Effect. State and local governments would experience one-time costs—possibly tens of millions of dollars—to expand the functionality of the VoteCal system or create a new IT system that complies with the measure.

Ongoing Fiscal Effect. County governments would experience increased costs—possibly millions of dollars annually—to administer the electronic signature provisions of the measure. The fees imposed on Members of the Legislature to introduce legislation could change the existing legislative process in ways that cannot be predicted. For example, it could change how legislation is introduced to the Legislature or the number and type of proposed laws considered by the Legislature. These changes could lead to different laws being enacted with different fiscal effects than would otherwise be the case.

Summary of Fiscal Effects. This measure would have the following major fiscal effect.

- Increased costs to state and local governments to administer the initiative process. These costs include (1) one-time costs—possibly tens of millions of dollars—to state and local governments to develop new information technology systems and (2) ongoing costs to local governments of possibly millions of dollars each year.
- Ongoing fiscal effect on state government is not certain and depends on future decisions and actions by lawmakers.

Sincerely,

Mac Taylor
Legislative Analyst

Michael Cohen
Director of Finance