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March 17, 1998

Hon. Daniel E. Lungren Attorney General 1300 I Street, 17th Floor Sacramento, California 95814

Attention: Ms. Connie Lemus Initiative Coordinator

Dear Attorney General Lungren:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative (File No. SA 98 RF 0010), the Bear and Wilderness Protection Act of 1998.

THE PROPOSAL

This measure increases the state's sales and use taxes by 0.5 percent beginning January 1, 1999, and requires revenues from the increase to be deposited into the Bear and Wilderness Protection Trust Fund created by this measure. Revenues in the trust fund would be continuously appropriated and equally divided between the Departments of Fish and Game (DFG) and Parks and Recreation (DPR) for specified expenditures.

Use of Trust Fund Revenues by DFG. The measure requires that one-half of the trust fund revenues be provided to DFG to acquire, restore, and enhance wilderness habitat. Specifically, the measure requires DFG to acquire property to create the following:

• *Bear Safe Zones.* The measure requires the department to (1) establish these zones in rural areas where an abundance of wildlife already exists and (2) cap-

ture, transport, and release *all* bears in the state to these zones. The public may enter these zones but are not permitted to bring in firearms.

- *Coastal Marine Safe Zones.* The measure requires DFG to designate certain coastal areas as "coastal marine safe zones" from which no fish or marine life may be taken without a permit issued by the department.
- *Game Refuges.* The measure requires the department to establish and manage game refuges in rural areas where an abundance of wildlife already exists to preserve and protect wildlife species. The department may issue permits for taking of species within these game refuges.
- *Wilderness Restricted Use Districts.* The measure requires DFG to establish and manage "wilderness restricted use districts" for the protection of all wildlife and wildlife habitat. These districts are to be established in rural areas where an abundance of wildlife already exists. Public access without a permit would be prohibited.

The measure also requires DFG to (1) organize and sponsor wilderness outreach programs directed at inner city youth and (2) offer wilderness educational programs for children in grades K-12.

Use of Trust Fund Revenues by the DPR. The measure requires that one-half of the trust fund revenues be provided to DPR to restore, repair, and enhance the existing state park system including the acquisition of additional land and resources for the system.

Taking of Bears. The measure makes it a felony, punishable by imprisonment in state prison and a fine to take, injure, possess, transport, import, or sell any bear or any bear parts or products, or to conspire to engage in such activities. For individuals under 18, violation of the measure would result in incarceration in the Department of the Youth Authority.

The measure authorizes the use of trust fund revenues for criminal investigations by DFG related to the taking and possession of bears. It does not, however, provide for enforcement costs incurred by the Attorney General, or costs to the California Department of Corrections or the California Youth Authority for incarceration.

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FISCAL EFFECTS

Increase in Sales and Use Taxes. In general, tangible goods purchased in California, or outside the state for use inside California, are subject to the state sales and use taxes. By increasing the state sales and use taxes by 0.5 percent, the measure would generate about \$1.9 billion annually for the Bear and Wilderness Protection Trust Fund.

State Costs. Costs to implement this measure by DFG and DPR would be funded by revenues from the trust fund.

To the extent any violations of the measure result in prosecution and subsequent incarceration in state correctional facilities, there would be General Fund costs. These costs are not covered by trust fund revenues. These costs are unknown, but are likely to be minor.

SUMMARY

In summary, the initiative would:

• Increase state sales and use tax revenues by \$1.9 billion annually to be deposited into the Bear and Wilderness Trust Fund to acquire, restore, and enhance wilderness habitat and the state park system.

Sincerely,

Elizabeth G. Hill Legislative Analyst

Craig L. Brown Director of Finance

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