

September 19, 2003

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Tricia Knight
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative measure entitled "Majority Rule, Minority Rights Initiative" (File No. SA2003RF0029, Amendment #1-S).

Major Provisions

This measure amends the State Constitution to make changes in election procedures.

Preferences on Ballot. Under current procedures, voters may only choose one candidate for each office when casting their ballots. This measure requires that the Legislature and the Secretary of State (SOS) establish procedures by which voters may rank their preferences among all candidates for all state and local elections.

Election by Majority. Under current procedures for electing officials, a candidate who receives the largest number of votes cast in a general election is declared the winner. As a result, in some cases (such as when there are three candidates), a candidate may assume office without having received a majority of votes cast. This measure requires that a candidate for *statewide* office (other than the Insurance Commissioner) receive a majority of votes cast in order to be elected.

Legislative Districts. The Constitution currently requires that members of the Legislature be elected from 80 Assembly districts and 40 Senate districts. This measure authorizes the Legislature to establish alternative types of legislative districts, including districts which elect multiple members. The measure would not, however, change the total number of Assembly Members or Senators.

Fiscal Effect

Preferences on Ballot. Under the measure, the Legislature and SOS would establish new procedures to incorporate ranked preferences among election candidates. Counties would be primarily responsible for implementing these new procedures. While it is difficult to estimate the additional costs for counties to adapt their voting systems to the new procedures, these one-time costs could total in the low tens of millions of dollars statewide. The ongoing costs from the requirement to rank preferences would depend on future state decisions, including whether the rankings were required to be used to determine the outcome of elections.

Election by Majority. While requiring that statewide officials be elected by a majority of votes cast, the measure does not specify a procedure to achieve this result. For instance, for those elections where one candidate does not receive a majority of votes, the Legislature would have the authority to specify that the preference ranks be used to determine the election outcome. In this case, counties would experience only minor increased costs to process the ballots. Alternatively, the Legislature could specify that these types of elections be determined by a subsequent runoff election. If so, the state and counties could experience additional costs of tens of millions of dollars for each statewide runoff election (generally, once every four years).

Legislative Districts. The measure provides additional flexibility in determining the number of legislative districts. This provision would have no direct fiscal effect.

Summary. This measure would result in the following major fiscal effects:

- One-time county costs potentially in the low tens of millions of dollars to implement new election procedures.
- Possible costs of holding statewide runoff elections every four years of tens of millions of dollars.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Steve Peace
Director of Finance