

February 3, 2009

Hon. Edmund G. Brown Jr.
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Krystal Paris
Initiative Coordinator

Dear Attorney General Brown:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional amendment related to passage of the state budget (A.G. File No. 08-0022).

Background

The State Constitution currently requires a two-thirds (67 percent) vote of each house of the Legislature for the passage of the state budget bill and related appropriations. The Constitution requires the same vote threshold for bills which raise state taxes. These types of bills take effect immediately upon enactment. Most other types of bills—including bills that reduce taxes or spending—can be passed with a majority (over 50 percent) vote and take effect on January 1 of the following year.

Proposal

Lowers the Vote Requirement to Pass the Budget Bill. This measure amends the Constitution to lower the vote requirement necessary to pass the budget bill and related appropriations from two-thirds to 55 percent. These budget-related bills would take effect immediately upon enactment (or upon a date specified in the legislation).

Vote Requirement to Increase Taxes Unchanged. The measure does not change the vote requirement for bills increasing taxes, which would still require a two-thirds vote of each house.

Fiscal Effect

State Spending. This measure, by reducing the voting requirement from two-thirds to 55 percent, would make it easier to pass a state budget. In some years, this would likely affect the content of the budget and related appropriations. For

instance, spending priorities in a given budget could be different. The extent of the impacts would depend on a number of factors—including the state's financial circumstances, the composition of the Legislature, and its future actions.

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

- Unknown changes in the content of the annual state budget. Fiscal impact would depend on the composition and actions of future Legislatures.

Sincerely,

Mac Taylor
Legislative Analyst

Michael C. Genest
Director of Finance