

October 14, 2013

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

Attention: Ms. Ashley Johansson  
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed a statutory initiative related to the timber industry in California (A.G. File No. 13-0018).

This measure creates the Forest Conservation and Resource Management Department, which would have the responsibility to (1) protect and manage forests and watersheds on public land and (2) regulate timber harvesting in the state. Specifically, this new state department would be responsible for creating timber harvesting plans at the state, county, and project level and implementing forest restoration and mitigation projects. These activities would be funded by a 33 percent tax on timber and alternative timber products harvested on state land and a 2 percent tax on timber and alternative timber products harvested on private land. The chief executive officer of the Forest Conservation and Resource Management Department would be elected by popular vote and confirmed by the Legislature.

Pursuant to subsection (c) of Section 9005 of the Elections Code, we are informing you that, in our opinion, a reasonable estimate of the net fiscal impact of this proposed initiative measure cannot be prepared within 25 working days from the date this proposed initiative was received. Given that the measure grants such potentially broad authority and discretion, the full scope of the changes this measure would put in place is highly uncertain.

As required by Section 9005, we are informing you that it is our opinion that the measure would result in a substantial net change in state finances.

Sincerely,

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Mac Taylor  
Legislative Analyst

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Michael Cohen  
Director of Finance