

AB 780

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LEGISLATIVE ANALYST
STATE OF CALIFORNIA
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AB 780

1. AB 780 is a bill that would increase the refundable deposit the sponsors of initiatives have to put down at the time they submit their initiatives to the Attorney General for a title.
 - a. Currently, the deposit is \$200.
 - b. This bill would raise it to \$1,000 -- which, in terms of purchasing power is a little less than what \$200 represented when the current deposit rate was set in 1943.
2. Let me just address three questions regarding the measure:
 - a. Who would be affected?
 - b. Why is an increase in the refundable deposit warranted?
 - c. What would be the benefits to the state from an increase?
3. Who would be affected?
 - a. Those who would not be affected:
 - (1) Proponents who qualify a measure for the state ballot -- they would get all of their deposit back.
 - (2) Proponents who make an effort to qualify the measure but are not successful -- they would get \$800 of their \$1,000 deposit back, so they would only be out \$200 as current law provides for.
 - b. The only ones who would be affected are proponents who submit a measure to the state -- and impose a cost on the state -- but make no serious effort to qualify the measure -- they would forfeit the

full \$1,000 as partial compensation to the state for the cost it incurs in processing the measure.

4. Why is an increase justified?
 - a. The \$200 refundable deposit was imposed by statute in 1943 in order to offset the costs to the state of processing the measure.
 - b. Since 1943, prices have risen five-fold, which means a fee of \$1,200 would be needed to constitute the same burden for proponents that \$200 represented in 1943.
 - c. More importantly, subsequent law changes have added new duties to the state in processing initiatives, and as a result, the average cost of processing one initiative today is \$1,500.
 - d. Thus, the current \$200 refundable deposit doesn't come close to doing the job it was originally intended to do.
5. What are the benefits to be gained from an increase?
 - a. While enactment of the bill will indeed reduce the net cost of processing initiatives, I don't base the case for the bill on fiscal considerations.
 - b. Instead, the primary benefit to be gained from enactment is that it will discourage individuals and groups from clogging the system with measures that they themselves don't take seriously.
 - (1) The Attorney General, the Legislative Analyst's office, and the Department of Finance must, and do, take seriously every measure that comes in the door.

- (2) This means, in our case, taking time away from the business of the Legislature to staff out the measure, as we are required to do by law.
- (3) It is clear, in the case of many, many initiatives, that they have been submitted for effect -- either as taking points for a political campaign, or to publicize the group that is backing the measure.
 - (a) They have no intention of mounting a campaign to qualify the measure.
 - (b) The taxpayers, however, must pick up the tab, at \$1,500 a crack.