

**Introduced by Senator Wolk
(Coauthor: Senator DeSaulnier)**

May 28, 2009

Senate Constitutional Amendment No. 22—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 9 of Article II thereof, by amending Sections 8 and 12 of Article IV thereof, and by amending Section 3 of Article XIII A thereof, relating to the state budget.

LEGISLATIVE COUNSEL'S DIGEST

SCA 22, as introduced, Wolk. State budget.

(1) The California Constitution requires each house of the Legislature to pass a bill appropriating moneys from the General Fund, except appropriations for the public schools, by a $\frac{2}{3}$ vote. The California Constitution generally limits the amount of total amount appropriations of the state for a year to the total amount of appropriations for the prior year after adjusted for the change in the cost of living and population. The California Constitution requires that a change in state taxes for purposes of increasing revenue either by increasing the rate of the state tax or a change in the method of computation of the state tax be passed by a $\frac{2}{3}$ vote.

This measure would provide that if the total amount of General Fund appropriations in a Budget Bill, as defined, for the fiscal year, when combined with all appropriations from the General Fund for that fiscal year made by statutes enacted as of the date of the Budget Bill's passage, does not exceed the lesser of the appropriation limit for that fiscal year or 105% of General Fund appropriations made by statutes enacted as of that date for the immediately preceding fiscal year, the Budget Bill is exempt from the $\frac{2}{3}$ -vote requirement that otherwise applies to General

Fund appropriations. This measure would also exempt, from the $\frac{2}{3}$ -vote requirement that applies to certain changes in state taxes, a change in a state tax for the purpose of generating General Fund revenue contained in a bill identified in the Budget Bill as necessary to implement the Budget Bill, if the Budget Bill qualifies to be exempted from the $\frac{2}{3}$ -vote provisions and the change in state tax, when combined with all other changes in state taxes contained in budget implementation bills for that Budget Bill, does not exceed the difference between the total amount of General Fund appropriations made in the Budget Bill, when combined with all appropriations from the statutes enacted as of the date of the Budget Bill's passage, and the maximum General Fund appropriation amount discussed above.

(2) The California Constitution provides that a statute takes effect immediately upon enactment if the statute calls for an election, provides for a tax levy, makes an appropriation for the usual and current expenses of the state, or is an urgency statute. The California Constitution exempts these statutes from the power of referendum, which is the power of the electors to approve or reject statutes or parts of statutes.

This measure would add, to those statutes that take effect immediately and are exempt from referendum, statutes enacting the Budget Bill and statutes enacting bills identified in the Budget Bill as necessary to implement the Budget Bill.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2009–10 Regular
3 Session commencing on the first day of December 2008, two-thirds
4 of the membership of each house concurring, hereby proposes to
5 the people of the State of California that the Constitution of the
6 State be amended as follows:

7 First—That Section 9 of Article II thereof is amended to read:
8 SEC. 9. (a) The referendum is the power of the electors to
9 approve or reject statutes or parts of statutes except urgency
10 statutes, statutes calling elections, *statutes enacting the budget*
11 *bill, statutes enacting budget implementation bills,* and statutes
12 providing for tax levies or appropriations for usual current expenses
13 of the State.

14 (b) A referendum measure may be proposed by presenting to
15 the Secretary of State, within 90 days after the enactment date of

1 the statute, a petition certified to have been signed by electors
2 equal in number to 5 percent of the votes for all candidates for
3 Governor at the last gubernatorial election, asking that the statute
4 or part of it be submitted to the electors. In the case of a statute
5 enacted by a bill passed by the Legislature on or before the date
6 the Legislature adjourns for a joint recess to reconvene in the
7 second calendar year of the biennium of the legislative session,
8 and in the possession of the Governor after that date, the petition
9 may not be presented on or after January 1 next following the
10 enactment date unless a copy of the petition is submitted to the
11 Attorney General pursuant to subdivision (d) of Section 10 of
12 ~~Article H~~ before January 1.

13 (c) The Secretary of State shall then submit the measure at the
14 next general election held at least 31 days after it qualifies or at a
15 special statewide election held prior to that general election. The
16 Governor may call a special statewide election for the measure.

17 Second—That Section 8 of Article IV thereof is amended to
18 read:

19 SEC. 8. (a) At regular sessions no bill other than the budget
20 bill may be heard or acted on by committee or either house until
21 the 31st day after the bill is introduced unless the house dispenses
22 with this requirement by rollcall vote entered in the journal, ~~three~~
23 ~~fourths~~ *three-fourths* of the membership concurring.

24 (b) The Legislature may make no law except by statute and may
25 enact no statute except by bill. No bill may be passed unless it is
26 read by title on ~~3~~ *three* days in each house except that the house
27 may dispense with this requirement by rollcall vote entered in the
28 journal, ~~two-thirds~~ *two-thirds* of the membership concurring. No
29 bill may be passed until the bill with amendments has been printed
30 and distributed to the ~~members~~ *Members*. No bill may be passed
31 unless, by rollcall vote entered in the journal, a majority of the
32 membership of each house concurs.

33 (c) (1) Except as provided in paragraphs (2) and (3) ~~of this~~
34 ~~subdivision~~, a statute enacted at a regular session shall go into
35 effect on January 1 next following a 90-day period from the date
36 of enactment of the statute and a statute enacted at a special session
37 shall go into effect on the 91st day after adjournment of the special
38 session at which the bill was passed.

39 (2) A statute, other than a statute establishing or changing
40 boundaries of any legislative, congressional, or other election

1 district, enacted by a bill passed by the Legislature on or before
2 the date the Legislature adjourns for a joint recess to reconvene in
3 the second calendar year of the biennium of the legislative session,
4 and in the possession of the Governor after that date, shall go into
5 effect on January 1 next following the enactment date of the statute
6 unless, before January 1, a copy of a referendum petition affecting
7 the statute is submitted to the Attorney General pursuant to
8 subdivision (d) of Section 10 of Article II, in which event the
9 statute shall go into effect on the 91st day after the enactment date
10 unless the petition has been presented to the Secretary of State
11 pursuant to subdivision (b) of Section 9 of Article II.

12 (3) Statutes calling elections, statutes providing for tax levies
13 or appropriations for the usual current expenses of the State,
14 *statutes enacting the budget bill, statutes enacting budget*
15 *implementation bills,* and urgency statutes shall go into effect
16 immediately upon their enactment. *For purposes of this section,*
17 *Section 9 of Article II, and Section 3 of Article XIII A, a “budget*
18 *implementation bill” is a bill that is identified in the budget bill*
19 *as containing only changes in law necessary to implement the*
20 *budget bill.*

21 (d) Urgency statutes are those necessary for immediate
22 preservation of the public peace, health, or safety. A statement of
23 facts constituting the necessity shall be set forth in one section of
24 the bill. In each house the section and the bill shall be passed
25 separately, each by rollcall vote entered in the journal, ~~two-thirds~~
26 *two-thirds* of the membership concurring. An urgency statute *or*
27 *a statute enacting a budget implementation bill* may not create or
28 abolish any office or change the salary, term, or duties of any
29 office, or grant any franchise or special privilege, or create any
30 vested right or interest.

31 Third—That Section 12 of Article IV thereof is amended to
32 read:

33 SEC. 12. (a) Within the first 10 days of each calendar year,
34 the Governor shall submit to the Legislature, with an explanatory
35 message, a budget for the ensuing fiscal year containing itemized
36 statements for recommended state expenditures and estimated state
37 revenues. If recommended expenditures exceed estimated revenues,
38 the Governor shall recommend the sources from which the
39 additional revenues should be provided.

1 (b) The Governor and the Governor-elect may require a state
2 agency, officer, or employee to furnish whatever information is
3 deemed necessary to prepare the budget.

4 (c) (1) The budget shall be accompanied by a budget bill
5 itemizing recommended expenditures.

6 (2) The budget bill shall be introduced immediately in each
7 house by the persons chairing the committees that consider the
8 budget.

9 (3) The Legislature shall pass the budget bill by midnight on
10 June 15 of each year.

11 (4) Until the budget bill has been enacted, the Legislature shall
12 not send to the Governor for consideration ~~any~~ a bill appropriating
13 funds for expenditure during the fiscal year for which the budget
14 bill is to be enacted, except emergency bills recommended by the
15 Governor or appropriations for the salaries and expenses of the
16 Legislature.

17 (d) (1) No bill except the budget bill may contain more than
18 one item of appropriation, and that for one certain, expressed
19 purpose. ~~Appropriations~~ *Except as provided in paragraph (2),*
20 *appropriations* from the General Fund of the State, except
21 appropriations for the public schools, are void unless passed in
22 each house by rollcall vote entered in the journal, two-thirds of
23 the membership concurring.

24 (2) *If, as determined by the Director of Finance, the total amount*
25 *of General Fund appropriations made in a budget bill for a fiscal*
26 *year, when combined with all appropriations from the General*
27 *Fund for that fiscal year made by statutes enacted as of the date*
28 *of the budget bill's passage, does not exceed the lesser of the state*
29 *appropriations limit for that fiscal year calculated pursuant to*
30 *Section 1 of Article XIII B, or 1.05 times the total amount of*
31 *General Fund appropriations made by statutes enacted as of that*
32 *date for the immediately preceding fiscal year, then appropriations*
33 *from the General Fund made by the budget bill are not subject to*
34 *the two-thirds vote requirement of paragraph (1). For purposes*
35 *of this section, Section 8, Section 9 of Article II, and Section 3 of*
36 *Article XIII A, a "budget bill" is a bill that makes appropriations*
37 *for the support of the government of the State for an entire fiscal*
38 *year.*

1 (e) The Legislature may control the submission, approval, and
 2 enforcement of budgets and the filing of claims for all state
 3 agencies.

4 (f) For the 2004–05 fiscal year, or ~~any~~ a subsequent fiscal year,
 5 the Legislature ~~may shall~~ not send to the Governor for
 6 consideration, nor ~~may shall~~ the Governor sign into law, a budget
 7 bill that would appropriate from the General Fund, for that fiscal
 8 year, a total amount that, when combined with all appropriations
 9 from the General Fund for that fiscal year made as of the date of
 10 the budget bill’s passage, and the amount of any General Fund
 11 moneys transferred to the Budget Stabilization Account for that
 12 fiscal year pursuant to Section 20 of Article XVI, exceeds General
 13 Fund revenues for that fiscal year estimated as of the date of the
 14 budget bill’s passage. That estimate of General Fund revenues
 15 shall be set forth in the budget bill passed by the Legislature.

16 Fourth—That Section 3 of Article XIII A thereof is amended
 17 to read:

18 Section 3. ~~From~~ *(a) Except as provided in subdivision (b),*
 19 *from and after the effective date of this article, ~~any changes a~~*
 20 *change in a state ~~taxes tax~~ enacted for the purpose of increasing*
 21 *revenues collected pursuant ~~thereto to that state tax~~, whether by*
 22 *an increased ~~rates rate~~ or ~~changes a change in methods the method~~*
 23 *of computation, must be imposed by an ~~Act act~~ passed by not less*
 24 *than two-thirds of ~~all members elected to each of the two houses~~*
 25 *the membership of each house of the Legislature, except that ~~no~~*
 26 *a new ad valorem ~~taxes tax~~ on real property, or a sales or*
 27 *transaction ~~taxes tax~~ on the ~~sales sale~~ of real property ~~may shall~~*
 28 *not be imposed.*

29 *(b) If it is determined by the Director of Finance that a budget*
 30 *bill enacted for a fiscal year satisfies the condition set forth in*
 31 *paragraph (2) of subdivision (d) of Section 12 of Article IV, a*
 32 *change in a state tax to generate revenue for the General Fund is*
 33 *not subject to the two-thirds vote requirement of subdivision (a)*
 34 *if that change in state tax is contained in a budget implementation*
 35 *bill for that budget bill and the Director of Finance determines*
 36 *that the total amount of General Fund revenue estimated to result*
 37 *for that fiscal year from that change in state tax, when combined*
 38 *with the total amount of General Fund revenue estimated to result*
 39 *for that fiscal year from all other changes in state taxes contained*
 40 *in all other budget implementation bills for that budget bill, would*

1 *not exceed the difference between (1) the total amount of General*
2 *Fund appropriations made in the budget bill for that fiscal year,*
3 *combined with all other General Fund appropriations for that*
4 *fiscal year from statutes enacted as of the date of the budget bill's*
5 *passage, and (2) the maximum appropriation amount identified*
6 *for that fiscal year under paragraph (2) of subdivision (d) of*
7 *Section 12 of Article IV.*

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