

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

STATE BANK. TAX ON CALIFORNIA OIL AND GAS. INITIATIVE

CONSTITUTIONAL AMENDMENT. Establishes state bank, initially funded by \$200,000,000 General Fund loan. Imposes 15 percent minimum tax on value of oil and gas extracted in California, for state bank capital. Mandates deposit of certain state funds in state bank, and authorizes public and private entities and individuals to establish accounts. State guarantees deposits. Authorizes state bank to borrow money, invest funds, make loans to businesses, organizations, and local governments, and keep earnings. Authorizes state bank to refinance state debt and make zero-interest loans to General Fund to finance operating deficits.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Possible increases in state revenues of \$3 billion or more per year initially, which could be used to establish a state bank. Possible, but unknown, decreases in other state and local revenues could result.** (11-0051)