

December 29, 2009

Office of the California Attorney General
Attn.: Krystal Paris - Initiative Coordinator
1300 I Street
Sacramento, CA. 95814

10-0005
RECEIVED
FEB 01 2010

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary of Proposed Initiative

Dear Ms. Paris,

We are the proponents of the proposed initiative constitutional amendment filed herewith. We request that the Attorney General prepare a title and summary of the chief purpose and points of this proposed measure. Enclosed please find the text of the proposed measure, my residence address at which I am registered to vote, and the filing fee of \$200.00.

Josephine and Kent M. Whitney

kjkwhitney@yahoo.com

Please contact me if additional information is needed.

Sincerely,

Josie Whitney

Kent M. Whitney

12/11/09 09:16 AM
RN 09 24567 PAGE 1

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

12-point
Boldface
Type

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

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

Type: Roman
Boldface not
smaller than
12-point

We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Health and Safety Code and the Revenue and Taxation Code, relating to alcoholic beverages, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or otherwise provided by law. The proposed amendments (full title and text of measure) read as follows:

SECTION 1. This measure shall be known and may be cited as the Alcohol-Related Harm and Damage Services Act of 2010.

SEC. 2. The people of the State of California find and declare all of the following:

(a) Alcohol-related problems cost Californians an estimated \$38.4 billion annually, including the costs of illness and injury, the criminal justice system, lost productivity, impacts on the welfare system, trauma and emergency care, and the foster care system.

(b) Alcohol use also costs California's state and county governments approximately \$8.3 billion annually in increased health care costs, criminal justice costs, and lost tax revenues, while the income to the state from alcohol licensing, fees, excise taxes, and sales taxes is less than \$1 billion annually.

(c) According to the U.S. Centers for Disease Control and Prevention, beer is the most commonly consumed drink by binge drinkers, and 67 percent of binge drinkers are underage. Underage drinkers account for 17.5 percent of all beer consumed annually, spending \$22 billion.

(d) Beer accounts for 80 percent of the preferred alcoholic beverages.

(e) Ninety-seven thousand college-age women are raped or sexually assaulted each year under circumstances involving the use of alcohol. Half of all rape victims were intoxicated and half of their attackers were intoxicated at the time of the attack.

(f) Alcohol use during pregnancy causes approximately 5,000 children to be born in California each year with alcohol-related birth defects.

(g) The cost of services for one person born with fetal alcohol syndrome is over \$2 million each year.

(h) The use of alcohol is associated with an increased incidence of digestive disease, cancer, neuropsychiatric conditions, cardiovascular disease, malignant neoplasms, pregnancy-related conditions, fetal alcohol syndrome, and high risk sex.

(i) One person dies, and there are 533 incidents of violent crime, every hour due to alcohol use in California.

(j) While the staggering cost of alcohol abuse is borne by all Californians, 67 percent of the alcohol sold in California is consumed by only 11 percent of the population.

(k) The last alcoholic beverage tax increase in California was in 1992.

(l) An alcoholic beverage tax increase is necessary to mitigate the adverse effects of alcohol use.

SEC. 3. Chapter 5 (commencing with Section 11759.10) is added to Part 1 of Division 10.5 of the Health and Safety Code, to read:

CHAPTER 5. ALCOHOL-RELATED HARM AND DAMAGE SERVICES FUND

11759.10. There is hereby established in the State Treasury the Alcohol-Related Harm and Damage Services Fund to consist of those surtaxes, and interest and penalties paid under Chapter 5.8 (commencing with Section 32231 of Part 14 of Division 2 of the Revenue and Taxation Code).

11759.11. Notwithstanding Section 13340 of the Government Code, the moneys in the Alcohol-Related Harm and Damage Services Fund are hereby continuously

appropriated, without regard to fiscal year, to the department for expenditure exclusively in those shares and for those purposes as set forth below:

(a) Twenty-two percent for treatment and recovery services for alcohol addiction, including, but not limited to, hospitalization and rehabilitation services for physical or mental illnesses caused or contributed to by alcohol use.

(b) Twenty-two percent for programs that provide support services, including, but not limited to, job training and placement, counseling, support groups, classes in parenting and budgeting, and legal and other types of advocacy and representation, to family members of alcohol abusers.

(c) Fifteen percent for the funding of grants for naturopathic treatment and recovery programs for alcohol addiction.

(d) Twelve percent for capital expenditures for facilities for the housing or treatment of homeless and low-income persons recovering from alcohol-related problems.

(e) Ten percent for programs to improve the enforcement of alcohol-related laws other than those described in subdivision (f), and for related costs and services of the criminal justice and penal systems.

(f) Ten percent for programs to improve the enforcement of laws prohibiting driving under the influence of an alcoholic beverage and for related costs and services of the criminal justice and penal systems.

(g) Five percent for programs and public awareness campaigns to prevent the use and abuse of alcoholic beverages. The public awareness campaigns funded under

this subdivision shall focus on informing the public, particularly children and young adults, of the potential health risks of alcohol use.

(h) Three percent for capital expenditures for housing and shelters for victims of alcohol-related abuse.

(i) One percent for the department to conduct followup studies, as required by Section 11759.12, to evaluate the effectiveness and fiscal impact of the programs and services funded by the additional surtax on beer, wine, and distilled spirits imposed pursuant to Chapter 5.8 (commencing with Section 32231) of Part 14 of Division 2 of the Revenue and Taxation Code.

11759.12. (a) The department shall conduct a followup study every two years to evaluate the effectiveness and fiscal impact of the programs and services that are funded pursuant to Section 11759.11. The followup study shall include, but not be limited to, a description of the types of programs and services funded and any resulting reductions in crime or welfare costs and other impacts or issues the department can identify.

(b) The department shall submit the results of the first followup study to the Legislature not later than two years after the effective date of this section, and the results of each additional followup study shall be submitted to the Legislature not later than the date two years after the last date to submit the immediately preceding followup study.

SEC. 4. Chapter 5.8 (commencing with Section 32231) is added to Part 14 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 5.8. ADDITIONAL SURTAX ON BEER, WINE, AND DISTILLED SPIRITS

32231. On and after the first day of the first calendar quarter commencing more than 90 days after the effective date of this section, an excise surtax is hereby imposed upon all beer and wine sold in this state by a manufacturer, winegrower, or importer; upon all distilled spirits sold in this state by a manufacturer, distilled spirits manufacturer's agent, brandy manufacturer, winegrower, importer, rectifier, wholesaler; by a common carrier upon boats, trains, and airplanes, or by persons licensed to sell distilled spirits upon boats, trains, and airplanes; or by sellers of beer, wine, or distilled spirits with respect to which no tax has been paid within areas over which the United States government exercises jurisdiction, at the following rates:

(a) On all beer, ten dollars and sixty cents (\$10.60) per gallon and at a proportionate rate for any other quantity.

(b) On all still wines containing not more than 14 percent of absolute alcohol by volume, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(c) On all still wines containing more than 14 percent of absolute alcohol by volume, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(d) On champagne, sparkling wine, excepting sparkling hard cider, whether naturally or artificially carbonated, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(e) On sparkling hard cider, twenty-five dollars and sixty cents (\$25.60) per wine gallon and at a proportionate rate for any other quantity.

(f) On all distilled spirits of proof strength or less, eighty-five dollars and forty cents (\$85.40) per gallon and at a proportionate rate for any other quantity.

(g) On all distilled spirits in excess of proof strength, eighty-five dollars and forty cents (\$85.40) per gallon and at a proportionate rate for any other quantity.

32232. (a) Except with respect to beer and wine in the internal revenue bonded premises of a manufacturer, and except with respect to distilled spirits in the possession of a distilled spirits manufacturer, distilled spirits manufacturer's agent, brandy manufacturer, rectifier, wholesaler, or common carrier licensed to sell distilled spirits onboard boats, trains, and airplanes, floor stock taxes are hereby imposed in amounts equal to the surtaxes imposed by Section 32231 upon all alcoholic beverages upon which the surtaxes have not been paid, that are in the possession or under the control of every person licensed under Division 9 (commencing with Section 23000) of the Business and Professions Code at 12:01 a.m. on the first day of the first calendar quarter commencing more than 90 days after the effective date of this section.

(b) On or before the first day of the first calendar quarter commencing more than 150 days after the effective date of this section, each person subject to the surtax imposed by this section shall prepare and file with the board, on a form prescribed by the board, a return showing the amount of units of beer, wine, champagne, sparkling wine, sparkling hard cider, and distilled spirits possessed by him or her at 12:01 a.m. on the first day of the first calendar quarter commencing more than 90 days after the effective date of this section, that are subject to the surtax imposed by this section, and

any other information the board deems necessary for the proper administration of this chapter.

(c) The taxpayer shall deliver the return required by subdivision (b), together with a remittance of the surtax due, to the board on or before the first day of the first calendar quarter commencing more than 150 days after the effective date of this section.

32233. The surtaxes imposed by this chapter are in addition to any other tax imposed under this part.

32234. All of the provisions of this part, with the exception of those contained in Chapter 10 (commencing with Section 32501), shall apply to the surtaxes imposed by this chapter, to the extent that those provisions are not inconsistent with this chapter.

32235. (a) All surtaxes, interest, and penalties imposed and required to be paid under this chapter shall be remitted to the board.

(b) Except for refunds and reimbursement of the board for expenses incurred in the administration this chapter, all surtaxes imposed, and interest and penalties required to be paid, under this chapter shall be deposited in the Alcohol-Related Harm and Damage Services Fund established pursuant to Section 11759.10 of the Health and Safety Code.