

February 16, 2012
Initiative 11-0096 (Amdt. #1S)

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

TAX ON CALIFORNIA OIL AND NATURAL GAS. REVENUES TO HIGHER EDUCATION AND GENERAL FUND. INITIATIVE STATUTE. Imposes 12.5 percent tax on value of oil and natural gas extracted in California. Allocates revenues one-third to higher education (half to California State University, half split between University of California and community colleges) and two-thirds to general fund. Provides new education funds shall augment, not count toward, existing education funding requirements. Dedicates 10 percent of new education funds to student grants. Requires California State University to use portion of funding for nursing programs. Prohibits passing tax on to consumers through higher fuel prices. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state revenues of about \$3 billion per year initially, with two-thirds (about \$2 billion) going to the state General Fund and one-third (about \$1 billion) allocated to specific higher education purposes. Of the General Fund revenue increase, roughly half would likely go to higher funding for schools and community college districts, with the remainder available for any state purpose.** (11-0096)