

PROPOSITION 89

Date: July 20, 2006

Political Campaigns. Public Financing.  
Corporate Tax Increase. Campaign Contribution and  
Expenditure Limits. Initiative Statute.  
Proponent: Deborah Burger

**BALLOT LABEL**

**POLITICAL CAMPAIGNS. PUBLIC FINANCING.  
CORPORATE TAX INCREASE. CAMPAIGN CONTRIBUTION AND  
EXPENDITURE LIMITS. INITIATIVE STATUTE.**

Provides that eligible candidates for state elective office may receive public campaign funding. Increases tax on corporations and financial institutions by 0.2 percent to fund program. Imposes new campaign contribution/expenditure limits. Fiscal Impact: Increased revenues (primarily from increased taxes on corporations and financial institutions) totaling more than \$200 million annually to pay for the public financing of political campaigns.

**SUBJECT TO COURT  
ORDERED CHANGES**

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**BALLOT TITLE AND SUMMARY**

**POLITICAL CAMPAIGNS. PUBLIC FINANCING.  
CORPORATE TAX INCREASE. CAMPAIGN CONTRIBUTION AND  
EXPENDITURE LIMITS. INITIATIVE STATUTE.**

- Provides that candidates for state elective office meeting certain eligibility requirements, including collection of a specified number of \$5.00 contributions from voters, may voluntarily receive public campaign funding from Fair Political Practices Commission, in amounts varying by elective office and election type.
- Increases income tax rate on corporations and financial institutions by 0.2 percent to fund program.
- Imposes new limits on campaign contributions to state-office candidates and campaign committees, and new restrictions on contributions by lobbyists, state contractors.
- Limits certain contributions and expenditures by corporations.

**Summary of Estimate by Legislative Analyst's  
Estimate of Net State and Local Government Fiscal Impact:**

- Increased revenues (primarily from increased taxes on corporations and financial institutions) totaling more than \$200 million annually. The funds would be spent on the public financing of political campaigns for state elected officials.

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