

AMENDED IN SENATE AUGUST 8, 2002

AMENDED IN SENATE MAY 23, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

## Assembly Constitutional Amendment

No. 12

**Introduced by Assembly Member Chavez Vargas**  
(Principal coauthor: Senator Peace)

June 6, 2001

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Assembly Constitutional Amendment No. 12—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding ~~Section 2.5 to Article XVI thereof, relating to veterans. Sections 10 and 11 to Article XII thereto, and repealing and adding Section 9 of Article XII thereof, relating to public utilities.~~

### LEGISLATIVE COUNSEL'S DIGEST

ACA 12, as amended, ~~Chavez Vargas. Homeless Veterans Housing Assistance Program~~ *Public utilities: control.*

*The California Constitution authorizes the Public Utilities Commission to establish rates and rules for all public utilities subject to its jurisdiction. The Public Utilities Act generally prohibits any public utility from transferring or encumbering utility property that is necessary or useful in the performance of its duties to the public without an order by the commission.*

*This measure would prohibit the Legislature and the Public Utilities Commission from allowing the transfer of ownership, operation, or control of any asset of the public utility to any institution not subject to the exclusive authority of the people of the State and their agents.*

*This measure would prohibit any agent of the people of the State, including the Legislature and the Public Utilities Commission, from compromising, abridging, or otherwise diminishing the right of the people of the State to protect their health and safety by ensuring that those responsible for a reliable and affordable supply of electricity are accountable to the people of the State.*

~~The California Constitution prohibits the Legislature from creating any debt exceeding \$300,000, as specified, unless authorized by law for a single object, principal and interest is paid on the debt, that law can not be repealed until the principal and interest on the debt is paid and discharged, and the law is approved by a  $\frac{2}{3}$  vote of the Legislature and a majority vote of the people.~~

~~The Veterans' Farm and Home Purchase Act of 1943 and subsequent acts authorize the Department of Veterans Affairs to purchase homes or farms for sale to veterans, and to finance the purchase by the veteran through the sale of general obligation bonds. All bond proceeds are deposited into veterans' farm and home building funds established under the various acts.~~

~~This measure would provide that, notwithstanding any provision in the Constitution or any bond act to the contrary, the Legislature may authorize the use of any surplus funds, as defined, derived pursuant to a veterans' farm and home purchase act, as defined, for the purpose of funding the acquisition, construction, or rehabilitation of transitional and long-term housing for homeless veterans, including support services and administration.~~

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

- 1 ~~Resolved by the Assembly, the Senate concurring, That the~~
- 2 ~~WHEREAS, The health and welfare of the people of this State~~
- 3 ~~cannot be protected without the guarantee of a reliable and~~
- 4 ~~affordable supply of electricity; and~~
- 5 ~~WHEREAS, The people of this State have the exclusive right to~~
- 6 ~~protect their health and safety by ensuring the availability of a~~
- 7 ~~reliable and affordable supply of electricity; and~~
- 8 ~~WHEREAS, The people exercise this right to electricity through~~
- 9 ~~the authority of the Legislature pursuant to Section 8 of Article II~~
- 10 ~~of the California Constitution, and through the Public Utilities~~
- 11 ~~Commission pursuant to Article XII of the California Constitution;~~
- 12 ~~and~~

1     *WHEREAS, The Legislature or the Public Utilities Commission*  
2     *may, from time to time, delegate all or portions of this authority*  
3     *over electricity to other agencies, commissions, public*  
4     *corporations, or other institutions including, but not limited to, the*  
5     *State Energy Resources and Conservation Commission, the*  
6     *California Independent System Operator, the California Power*  
7     *Exchange, the California Power Authority or other entities as*  
8     *directed by the Legislature or the Public Utilities Commission,*  
9     *each acting within the authority granted by the California*  
10    *Constitution; and*

11    *WHEREAS, In making a delegation of authority in this regard,*  
12    *neither the Legislature nor the Public Utilities Commission may*  
13    *extend control, management, or policy authority to any body or*  
14    *institution, public or private, that is governed by an authority that*  
15    *is not accountable to the people of this State; and*

16    *WHEREAS, Where a delegation of authority has occurred it*  
17    *shall remain revocable by the people's exercise of authority*  
18    *through the Legislature, the Public Utilities Commission, or other*  
19    *means guaranteed by the California Constitution; and*

20    *WHEREAS, The exclusive right to regulate public utilities is a*  
21    *right granted only by the people of this State; and*

22    *WHEREAS, In the exercise of that authority, neither the*  
23    *Legislature nor the Public Utilities Commission may allow for the*  
24    *transfer of ownership, operation, or control of any asset of a public*  
25    *utility to any institution, public or private, not subject to the*  
26    *exclusive authority of the people of this State and their agents; and*

27    *WHEREAS, The people of this State recognize the authority of*  
28    *the federal government to regulate interstate commerce and the*  
29    *obligation of the people of this State through their authorities to*  
30    *abide by that regulatory framework where established and*  
31    *enforced in a just and reasonable manner, but that the federal*  
32    *government's right to regulate does not extend to the right to select*  
33    *or dictate the means by which representatives of this State may be*  
34    *chosen; now, therefore be it*

35    *RESOLVED BY THE ASSEMBLY, THE SENATE*  
36    *CONCURRING, That the Legislature of the State of California at*  
37    *its 2001–02 Regular Session commencing on the fourth day of*  
38    *December 2000, two-thirds of the membership of each house*  
39    *concurring, hereby proposes to the people of the State of*

1 *California that the Constitution of the State be amended as*  
2 *follows:*

3 *First—That Section 9 of Article XII is repealed.*

4 ~~SEC. 9. The provisions of this article restate all related~~  
5 ~~provisions of the Constitution in effect immediately prior to the~~  
6 ~~effective date of this amendment and make no substantive change.~~

7 *Second—That Section 9 is added to Article XII to read:*

8 *SEC. 9. Neither the Legislature nor the Public Utilities*  
9 *Commission may allow the transfer of ownership, operation, or*  
10 *control of any asset of a public utility to any institution, public or*  
11 *private, not subject to the exclusive authority of the people of this*  
12 *State and their agents.*

13 *Third—That Section 10 is added to Article XII to read:*

14 *SEC. 10. No agent of the people of this State, including, but*  
15 *not limited to, the Legislature and the Public Utilities Commission,*  
16 *may compromise, abridge, or otherwise diminish the right of the*  
17 *people of this State to protect their health and safety by ensuring*  
18 *that those responsible for a reliable and affordable supply of*  
19 *electricity are answerable to the people of this State.*

20 *Fourth—That Section 11 is added to Article XII to read:*

21 *SEC. 11. The provisions of this article restate all related*  
22 *provisions of the Constitution in effect immediately prior to the*  
23 *effective date of this amendment and make no substantive change.*  
24 ~~Legislature of the State of California at its 2001-02 Regular~~  
25 ~~Session commencing on the fourth day of December 2000,~~  
26 ~~two-thirds of the membership of each house concurring, hereby~~  
27 ~~proposes to the people of the State of California that the~~  
28 ~~Constitution of the State be adding Section 2.5 to Article XVI~~  
29 ~~thereof, to read:~~

30 ~~SEC. 2.5. (a) Notwithstanding any other provision of this~~  
31 ~~Constitution, or any bond act to the contrary, the Legislature may~~  
32 ~~authorize the use of surplus funds, derived pursuant to any~~  
33 ~~veterans' farm and home purchase act, for the acquisition,~~  
34 ~~construction, or rehabilitation of transitional and long-term~~  
35 ~~housing for homeless veterans, including support services and~~  
36 ~~administration.~~

37 ~~(b) For purposes of this section:~~

38 ~~(1) "Surplus funds" means funds derived from any veterans'~~  
39 ~~farm and home purchase act that are not needed to meet legal~~  
40 ~~obligations under that act and exceed the amounts needed for the~~

1 ~~implementation under that act of a farm and home purchase~~  
2 ~~program, the repayment of bondholders, the operation of the~~  
3 ~~program, or related insurance programs.~~

4 (2) ~~“Veterans’ farm and home purchase act” means a measure~~  
5 ~~approved by the state electorate pursuant to which general~~  
6 ~~obligation bonds are issued and sold to fund loans to veterans for~~  
7 ~~the purchase of farms or homes.~~

8 \_\_\_\_\_  
9 CORRECTIONS

10 Title — Lines 3,4,5,& 6.

11 Digest — Pages 1 & 2.  
12 \_\_\_\_\_  
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