

November 3, 2020 (General Election) Statewide Ballot Measures Summaries

This summary of the twelve statewide ballot initiative on the November 3, 2020 General Election Ballot is provided for your personal use and education by the Laguna Niguel Chamber of Commerce. It is culled from several sources and is non-partisan.

There are no Orange County ballot measures up for consideration for the General Election. Summaries include culled analysis and summaries from the Office of the California Secretary of State, the California Chamber of Commerce, the California Association of Realtors (CAR) and from the Orange County Taxpayers Association (OCTax).

The following are the twelve Statewide Ballot Initiatives:

Proposition 14: Authorizes bonds to continue funding stem cells and other research ISSUES \$5.5 BILLION IN BONDS FOR STATE STEM CELL RESEARCH INSTITUTE. AUTHORIZES BONDS TO CONTINUE FUNDING STEM CELL AND OTHER MEDICAL RESEARCH. INITIATIVE STATUTE.

Authorizes \$5.5 billion in state general obligation bonds to fund grants from the California Institute of Regenerative Medicine to educational, non-profit, and private entities for: (1) stem cell and other medical research, therapy development, and therapy delivery; (2) medical training; and (3) construction of research facilities.

OCTax Summary: Prop 71 passed by voters in 2004 established and funded the California Institute for Regenerative Medicine (CIRM). Prop 71 issued \$3.0 billion in bonds to finance the CIRM and established a state constitutional right to stem cell research.

Prop 14 would authorize \$5.5 Billion in General Obligation Bonds to go to the CIRM, increase the members of their oversight committee from 29 to 35 and add a 4th working group which would focus on increasing access to treatment and cures.

Fiscal Impact: Authorizes \$5.5 billion in state general obligation bonds to fund grants from CIRM. Limits bond issuance to \$540 million annually. General Obligation Bonds are paid off through the state general budget.

A YES vote will allow the state to sell bonds to fund CIRM and stem cell research. A NO vote would not authorize the sale of bonds.

Proposition 15: INCREASES FUNDING FOR LOCAL SCHOOLS, COMMUNITY COLLEGES AND LOCAL GOVERNMENT SERVICES BY CHANGING THE TAX ASSESSMENT FOR COMMERCIAL AND INDUSTRIAL PROPERTY.

Split Roll Property Tax. Initiative Constitutional Amendment. Requires commercial and industrial properties to be taxed based on market value and dedicates revenue.

INITIATIVE CONSTITUTIONAL AMENDMENT.

CalChamber OPPOSES

Increases funding for K-12 public schools, community colleges, and local governments by requiring that commercial and industrial real property be taxed based on current market value. Exempts for now from this change: residential properties; agricultural properties; and owners of commercial and industrial properties with combined value of \$3 million or less. Increased education funding will supplement existing school funding guarantees. Exempts small businesses from personal property tax; for other businesses, exempts \$500,000 worth of personal property. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Net increase in annual property tax revenues of \$7.5 billion to \$12 billion in most years, depending on the strength of real estate markets. After backfilling state income tax losses related to the measure and paying for county administrative costs, the remaining \$6.5 billion to \$11.5 billion would be allocated to schools (40 percent) and other local governments (60 percent).**

OCTax summary: In 1978 voters passed historic Proposition 13, which required that residential, commercial, and industrial properties be taxed at their purchase property all at the same rate. The tax is

limited to no more than 1% of the purchase price with yearly increases capped at 2%. Prop 15 would weaken historic Prop 13 and put into place a “split-roll” system that would tax commercial and industrial properties differently. They would be taxed at market value. Revenue would first be distributed to (a) the state to supplement decreases in revenue from the state's personal income tax and corporation tax due to increased tax deductions and (b) counties to cover the costs of implementing the measure. After that 60 percent of the remaining funds would be distributed to local governments and special districts, and 40 percent would be distributed to school districts and community colleges (via a new Local School and Community College Property Tax Fund). Revenue appropriated for education would be divided as follows: 11% for community colleges and 89% for public schools, charter schools, and county education offices.

Owners of businesses, large and small, all across California already struggling with a loss of business due to COVID-19 will simply pass this tax increase on to their consumers. How much more can you afford to pay when you go into the grocery store, go out to eat, shop at a hardware store, take your pet to the groomers or vet, go to the drug store.... the list is endless.

Fiscal Impact: A tax increase of anywhere between \$8-\$12 Billion on all taxpayers in California. **OCTax strongly recommends a NO vote on Proposition 15.** Historic Prop 13 must be protected from Sacramento and those that want to continue to increase taxes on Californians.

Proposition 16: GOVERNMENT PREFERENCES

Government preferences/Affirmative Action. Repeals Proposition 209 (1996), which says that the state cannot discriminate or grant preferential treatment based on race, sex, color, ethnicity, or national origin in public employment, education, or contracting

Proposition 16 asks California voters to amend the Constitution of California to repeal 1996's Proposition 209 (the California Civil Rights Initiative), which prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

The Constitution of California, due to Proposition 209 prohibits the state from discriminating against or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

Proposition 16 amends the California Constitution by repealing Section 31 of Article I relating to the prohibition against discrimination or preferential treatment, among other provisions. Since the passage of Proposition 209, there have been several legislative attempts to revise the application of its provisions, including 2014 SCA 5. Among these, Proposition 16 represents another attempt, but Prop 16 is the first legislative attempt to completely repeal Proposition 209.

OCTax Summary: Prop 209 passed in 1996 banned discrimination or preferential treatment that uses a person or group's race, sex, color, ethnicity, or national origin in public employment, public education, and public contracting. Prop 16 would repeal Prop 209, removing that language from our state constitution. State government, local governments, public universities, and other public entities would be allowed to consider race, sex, color, and national origin, within the limits of federal law, in public employment, public education, and public contracting. This initiative was placed on the ballot by the CA State Legislature.

A YES vote will return affirmative action practices to California. A NO vote continues the ban on affirmative action.

Proposition 17: DISQUALIFICATIONS OF PAROLED FELONS AS ELECTORS

Restores the right to vote to people convicted of felonies who are on parole

Proposition 17 is a constitutional amendment that would allow people on parole for felony convictions to vote in California. Currently, the California Constitution disqualifies people with felonies from voting until their imprisonment and parole are completed. The ballot measure would amend the state constitution to allow people with felonies who are on parole to vote; therefore, the ballot measure would keep imprisonment as a disqualification for voting but remove parole status.

OCTax Summary: The California Constitution states that convicted felonies cannot vote until their imprisonment and parole are completed. Prop 17 would allow people on parole for a felony conviction to vote in California. Those imprisoned would still not be allowed to vote. 19 other states allow felons either imprisoned or on parole the ability to vote. This initiative was placed on the ballot by the CA State Legislature.

A YES vote allows convicted felons on parole to vote. A NO vote keeps the current law in place where convicted felons need to complete parole before they are allowed to vote.

Proposition 18: VOTING AGE

Allows 17-year-olds who will be 18 at the time of the next general election to vote in primaries and special elections

Proposition 18 would allow 17-year-olds who will be 18 at the time of the next General Election to vote in primary and special election. This Constitutional amendment would reverse the existing prohibition of those under 18 at the time of any election to vote.

OCTax Summary: This ballot initiative would allow 17 year-olds who will be 18 at the time of the next general election to vote in primary and special elections. 18 other states and Washington DC have this law on their books. This initiative was placed on the ballot by the CA State Legislature.

A YES vote allows 17 year-olds to vote in primary or special elections if they turn 18 by the next general election. A NO vote keeps the current law in place.

Proposition 19: THE HOME PROTECTION FOR SENIORS, SEVERELY DISABLED, FAMILIES AND VICTIMS OF WILDFIRE OR NATURAL DISASTERS ACT

Changes tax assessment transfers and inheritance rules

Proposition 19 would change the rules for tax assessment transfers. In California, eligible homeowners can transfer their tax assessments to a different home of the same or lesser market value, which allows them to move without paying higher taxes. Homeowners who are eligible for tax assessment transfers are persons over 55 years old, persons with severe disabilities, and victims of natural disasters and hazardous waste contamination.

The ballot measure would allow eligible homeowners to transfer their tax assessments anywhere within the state and allow tax assessments to be transferred to a more expensive home with an upward adjustment. The number of times that a tax assessment can be transferred would increase from one to three for persons over 55 years old or with severe disabilities (disaster and contamination victims would continue to be allowed one transfer)

OCTax summary: The voters passed historic Proposition 13 overwhelmingly in 1978. Several initiatives were subsequently passed that amended Prop 13 to change who can transfer their home's taxable value and how the transfers work: Prop 58 (1986), Prop 60 (1986), Prop 90 (1988), and Prop 193 (1996). Homeowners who are eligible for tax assessment transfers are persons over 55 years old, persons with severe disabilities, and victims of natural disasters and hazardous waste contamination. Eligible homeowners can transfer their tax assessments to a different home of the same or lesser market value within any county that agrees to participate in the program, which allows them to move without paying higher taxes. Prop 19 would change the rules for tax assessment transfers. Prop 19 would allow eligible homeowners to transfer their tax assessments anywhere within the state and allow tax assessments to be transferred to a more expensive home with an upward adjustment; increase the number of times that persons over 55 years old or with severe disabilities can transfer their tax assessments from one to three; require that inherited homes that are not used as principal residences,

such as second homes or rentals, be reassessed at market value when transferred; and allocate additional revenue or net savings resulting from the ballot measure to wildfire agencies and counties. Inherited homes must be used as a principal residence to keep their Prop 13 evaluation.

Prop 19 would create the California Fire Response Fund (CFRF) and County Revenue Protection Fund (CRPF). It would require the California Director of Finance to calculate additional revenues and net savings resulting from the ballot measure. The California State Controller would be required to deposit 75 percent of the calculated revenue to the Fire Response Fund and 15 percent to the County Revenue Protection Fund. The County Revenue Protection Fund would be used to reimburse counties for revenue losses related to the measure's property tax changes. The Fire Response Fund would be used to fund fire suppression staffing and full-time station-based personnel. This initiative was placed on the ballot by the CA State Legislature.

California Realtors Assn Summary: CAR endorses Proposition 19. The initiative will allow homeowners who are 55 and older, people with severe disabilities, wildfire or natural disaster victims to transfer their current property tax base to a replacement home anywhere in California. By making it more affordable for seniors to move to a home that better fits their needs, it will open housing inventory to make more homes available for new families and first-time homeowners. How does Proposition 19 benefit families? The initiative would protect the right for a grandparent or parent to pass their family home onto their children and grandchildren so families can affordably move into the home as their primary residence, safeguarding family transfers which are currently under threat of removal or elimination. It will also open up housing opportunities by making homes more readily available. How will Proposition 19 benefit local communities? This initiative generates hundreds of millions of annual funding with long-term revenue of over \$1 billion annually for fire protection, local government and school districts that can be used for vital resident services such as emergency response, county hospitals, health care, homeless services, and local housing programs. The initiative further protects counties by establishing a county offset fund, providing additional revenue protection year in and year out.

Fiscal Impact: Possibly tens of millions of dollars in increased revenue due to home ownership changes and increased home sales would go to CFRF and CRPF.

A YES vote would make the above changes. A NO vote would keep current law in place.

Proposition 20: PAROLE RESTRICTIONS AND RECATEGORIZES CERTAIN FELONY SENTENCES AND POLICIES

Restricts parole for non-violent offenders. Authorizes felony sentences for certain offenses currently treated only as misdemeanors. Initiative Statute. Makes changes to policies related to criminal sentencing charges, prison release, and DNA collection.

CalChamber Supports.

Imposes restrictions on parole program for non-violent offenders who have completed the full term for their primary offense. Expands list of offenses that disqualify an inmate from this parole program. Changes standards and requirements governing parole decisions under this program. Authorizes felony charges for specified theft crimes currently chargeable only as misdemeanors, including some theft crimes where the value is between \$250 and \$950. Requires persons convicted of specified misdemeanors to submit to collection of DNA samples for state database.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased state and local correctional costs likely in the tens of millions of dollars annually, primarily related to increases in penalties for certain theft-related crimes and the changes to the nonviolent offender release consideration process. Increased state and local court-related costs of around a few million dollars annually related to processing probation revocations and additional felony theft filings. Increased state and local law enforcement costs not likely to exceed a couple million dollars annually related to collecting and processing DNA samples from additional offenders.

OCTax Summary: AB 109 (2011), Prop 47 (2014) and Prop 51 (2016) were three measures passed to reduce the state's prison inmate population. The U.S Supreme Court had ruled that overcrowding in prisons had resulted in cruel and unusual punishment and ordered the state to make changes. AB 109

shifted the imprisonment of those who the state considered non-violent, non-serious and non-sexual offenders from state prisons to local jails and made counties, rather than states, responsible for supervising certain felons on parole.

Prop 47 changed several crimes, which the measure considered non-violent, non-serious from felonies or wobblers (could be a misdemeanor or felony) to misdemeanors. Prop 57 increased parole chances for felons convicted of what the state defined as non-violent crimes. Prop 20 would amend these three initiatives. Prop 20 would make specific types of theft and fraud crimes, including firearm theft, vehicle theft, and unlawful use of a credit card, chargeable as misdemeanors or felonies, rather than misdemeanors.

Fiscal Impact: Increased cost to state and local correctional, court-related, and law enforcement costs likely in the tens of millions of dollars annually.

A yes vote would make the above changes. A no vote keeps the results of AB 109, Prop 47 and Prop 51 in place.

Proposition 21: EXPANDS LOCAL GOVERNMENT'S AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY.

Expands Local Governments' Authority to Enact Rent Control on Residential Properties older than 15 years. Initiative Statute.

CalChamber Opposes

Amends state law to allow local governments to establish rent control on residential properties over 15 years old. Allows rent increases on rent-controlled properties of up to 15 percent over three years from previous tenant's rent above any increase allowed by local ordinance. Exempts individuals who own no more than two homes from new rent-control policies. In accordance with California law, provides that rent-control policies may not violate landlords' right to a fair financial return on their property.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or more.

OCTax Summary: Prop 21 would replace the Costa-Hawkins Renting Housing Act passed in 1995. It would allow local governments to adopt rent control on housing units, except on (a) housing that was first occupied within the last 15 years and (b) units owned by natural persons who own no more than two housing units with separate titles, such as single-family homes, condos, and some duplexes, or subdivided interests, such as stock cooperatives and community apartment projects. Under Costa-Hawkins, landlords are allowed to increase rent prices to market rates when a tenant moves out. Prop 21 would require local governments that adopt rent control to allow landlords to increase rental rates by 15 percent during the first three years following a vacancy.

Fiscal Impact: Potential reduction in state and local revenues of tens of millions of dollars per year if passed.

A yes vote would allow local governments to adopt the above rent control policy. A no vote keeps the current law in place.

Proposition 22: EMPLOYMENT CLASSIFICATION RULES FOR APP-BASED TRANSPORTATION AND DELIVERY DRIVERS.

Changes Employment Classification Rules for App-Based Transportation and Delivery Drivers.

Considers app-based drivers to be independent contractors and enacts several labor policies related to app-based companies. INITIATIVE STATUTE.

CalChamber Supports

Establishes different criteria for determining whether app-based transportation (rideshare) and delivery drivers are "employees" or "independent contractors." Independent contractors are not entitled to certain state-law protections afforded employees—including minimum wage, overtime, unemployment insurance, and workers' compensation. Instead, companies with independent-contractor drivers will be required to provide specified alternative benefits, including: minimum compensation and healthcare subsidies based on engaged driving time,

vehicle insurance, safety training, and sexual harassment policies. Restricts local regulation of app-based drivers; criminalizes impersonation of such drivers; requires background checks.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increase in state personal income tax revenue of an unknown amount.

OCTax Summary: AB 5 passed in 2019 established a three-factor test to determine if a worker is an independent contractor or an actual employee. Prop 22 would override AB 5 and consider app-based drivers to be independent contractors and not employees. Prop 22 would define app-based drivers as workers who (a) provide delivery services on an on-demand basis through a business's online-enabled application or platform or (b) use a personal vehicle to provide prearranged transportation services for compensation via a business's online-enabled application or platform. Examples of companies that hire app-based drivers include *Uber*, *Lyft*, and *DoorDash*. Prop 22 would not affect how AB 5 is applied to other types of workers. Prop 22 would also enact labor and wage policies specific to app-based drivers and companies, including a net earnings floor based on 120 percent of the state's or municipality's minimum wage and 30 cents per mile; a limit to the hours permitted to work during a 24-hour period; healthcare subsidies; occupational accident insurance; and accidental death insurance. Prop 22 would require the companies to develop anti-discrimination and sexual harassment policies

Fiscal Impact: Increase in state personal income tax revenue if passed.

A yes vote would remove app-based drivers from AB 5 enforcement. A no vote would keep the current law as written.

Proposition 23: AUTHORIZES STATE REGULATION OF KIDNEY DIALYSIS CLINICS AND ESTABLISHES MINIMUM STAFFING LEVELS.

Authorizes state regulation of kidney dialysis clinics. Establishes minimum staffing and other requirements. Requires physician on-site at dialysis clinics and consent from the state for a clinic to close. INITIATIVE STATUTE.

Requires at least one licensed physician on site during treatment at outpatient kidney dialysis clinics; authorizes Department of Public Health to exempt clinics from this requirement due to shortages of qualified licensed physicians if at least one nurse practitioner or physician assistant is on site. Requires clinics to report dialysis-related infection data to state and federal governments. Requires state approval for clinics to close or reduce services. Prohibits clinics from discriminating against patients based on the source of payment for care.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increased state and local health care costs, likely in the low tens of millions of dollars annually, resulting from increased dialysis treatment costs.

OCTax Summary: In 2018 voters rejected Prop 8, which was the first initiative brought forward by SEIU-UHW, a labor union for healthcare workers. Prop 23 is also being brought forward by the SEIU, which is attempting to unionize workers at kidney dialysis clinics. Prop 23 would require dialysis clinics to have a minimum of one licensed physician present at the clinic while patients are being treated, with an exception for when there is a bona fide shortage of physicians; report data on dialysis-related infections to the state health department and National Healthcare Safety Network (NHSN); require the principal officer of the clinic to certify under penalty of perjury that he or she is satisfied, after review, that the submitted report is accurate and complete; and provide a written notice to the state health department and obtain consent from the state health department before closing a chronic dialysis clinic. Prop 23 would also state that a chronic dialysis clinic couldn't "discriminate with respect to offering or providing care" nor "refuse to offer or to provide care, on the basis of who is responsible for paying for a patient's treatment.

Fiscal Impact: Increased state and local health care costs likely in the low tens of millions of dollars annually if passed.

A yes vote would place these new requirements on Kidney Dialysis Clinics. A no vote would not impose the new requirements.

Proposition 24: AMENDS CONSUMER PRIVACY LAWS

AMENDS CONSUMER PRIVACY LAWS. Expands the provisions of the California Consumer Privacy Act (CCPA) and creates the California Privacy Protection Agency to implement and enforce the CCPA. INITIATIVE STATUTE.

Permits consumers to: (1) prevent businesses from sharing personal information; (2) correct inaccurate personal information; and (3) limit businesses' use of "sensitive personal information"—such as precise geolocation; race; ethnicity; religion; genetic data; union membership; private communications; and certain sexual orientation, health, and biometric information. Changes criteria for which businesses must comply with these laws. Prohibits businesses' retention of personal information for longer than reasonably necessary. Triples maximum penalties for violations concerning consumers under age 16. Establishes California Privacy Protection Agency to enforce and implement consumer privacy laws and impose administrative fines. Requires adoption of substantive regulations.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increased annual state costs of roughly \$10 million for a new state agency to monitor compliance and enforcement of consumer privacy laws. Increased state costs, potentially reaching the low millions of dollars annually, from increased workload to DOJ and the state courts, some or all of which would be offset by penalty revenues. Unknown impact on state and local tax revenues due to economic effects resulting from new requirements on businesses to protect consumer information.

OCTax Summary: In 2018 San Francisco Real Estate Developer Alastair Mactaggart filed a consumer protection initiative for the 2018 ballot. It was withdrawn when the California State Legislature passed a compromise version, the California Consumer Privacy Act of 2018 (CCPA). Mactaggart filed this initiative, Prop 24, because although he called the CCPA of 2018 a good baseline he is looking for additional "consumer rights".

Prop 24 would expand or amend the provisions of the CCPA of 2018 by creating the California Privacy Protection Agency and removing the ability of businesses to fix violations before being penalized for violations. Prop 24 would require businesses to do the following: not share a consumer's personal information upon the consumer's request; provide consumers with an opt-out option for having their sensitive personal information, as defined in law, used or disclosed for advertising or marketing; obtain permission before collecting data from consumers who are younger than 16; obtain permission from a parent or guardian before collecting data from consumers who are younger than 13; and correct a consumer's inaccurate personal information upon the consumer's request.

Fiscal Impact: Increased annual state costs of roughly \$10 million for a new state agency. Increased state costs, potentially reaching the low millions of dollars annually, from increased workload to Department of Justice and the state courts, some or all of which could be offset by penalty revenues. Unknown impact on state and local tax revenues due to economic effects resulting from new requirements on businesses to protect consumer information.

A yes vote would place these new requirements into law. A no vote would keep the current law in place.

Proposition 25: REFERENDUM TO OVERTURN A 2018 LAW THAT REPLACED THE MONEY BAIL SYSTEM WITH A SYSTEM BASED ON PUBLIC SAFETY RISK

Referendum to overturn 2018 law that replaced the money bail system with a system based on the public risk. Replaces cash bail with risk assessments for suspects awaiting trial.

If this petition is signed by the required number of registered voters and timely filed, a referendum will be placed on the next statewide ballot requiring a majority of voters to approve a 2018 state law before it can take effect. The 2018 law replaces the money bail system with a system for pretrial release from jail based on a determination of public safety or flight risk, and limits pre-trial detention for most misdemeanors.

OCTax Summary: SB 10 was passed by the state legislature in 2018 to make California the first state to end the cash bail system for detained suspects awaiting trial. SB 10 replaced the cash bail system with a risk assessment to determine whether a detained suspect should be granted release and under what conditions. The risk assessments would categorize suspects as low risk, medium risk, or high risk. Suspects deemed as having a low risk of failing to appear in court and a low risk to public safety would

be released from jail, while those deemed a high risk would remain in jail, with a chance to argue for their release before a judge. Those deemed a medium risk could be released or detained, depending on the local court's rules. SB 10 would exempt suspects of misdemeanors, with exceptions, from needing a risk assessment to be released. Both the American Bail Association and the ACLU opposed SB 10.

Prop 25 is a veto referendum placed on the ballot to overturn SB 10 and return California to a cash bail system.

A yes vote would uphold the contested legislation, SB 10. A no vote would repeal SB 10 and return CA to a cash bail system.