



PROS & CONS

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The League of Women Voters of California Education Fund (LWVCEF), a 501(c)(3) nonpartisan organization, encourages informed and active participation in government and works to increase understanding of major public policy issues. The LWVCEF does not support or oppose candidates, political parties, or ballot measures.

The *Pros & Cons* is a nonpartisan explanation of state propositions, with supporting and opposing arguments. The arguments come from many sources and are not limited to those presented in the *Official Voter Information Guide*. The LWVCEF does not judge the merits of the arguments or guarantee their validity.

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League of Women Voters of California Education Fund

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General Election • November 3, 2020

At this election, California voters will choose the president of the United States for the next four-year term, and elect state and federal legislative representatives.

California voters will also be deciding on 12 state propositions that are explained in this Pros & Cons. Four of the propositions were placed on the ballot by the state legislature, seven of them were placed on the ballot by supporters who gathered sufficient signatures and seek to make changes in state laws or the California Constitution, and one is a referendum that seeks to overturn an existing law, and was also placed on the ballot by supporters who gathered sufficient signatures.

Visit Voter's Edge California to see everything on your ballot, your polling place, and unbiased information on all your voting choices.

How to Evaluate Ballot Propositions

- ★ Examine what the measure seeks to accomplish. Do you agree with those goals?
- ★ Is the measure consistent with your ideas about government? Do you think the proposed changes will make things better?
- ★ Who are the real sponsors and opponents of the measure? Check where the money is coming from on the Voter's Edge California website: votersedge.org
- ★ Is the measure written well? Will it create conflicts in law that may require court resolution or interpretation? Is it "good government," or will it cause more problems than it will resolve?
- ★ Does the measure create its own revenue source? Does it earmark, restrict, or obligate government revenues? If so, weigh the benefit of securing funding for this measure against the cost of reducing overall flexibility in the budget.
- ★ Does the measure mandate a government program or service without addressing how it will be funded?
- ★ Does the measure deal with one issue that can be easily decided by a YES or NO vote? Or, is it a complex issue that should be thoroughly examined in the legislative arena?
- ★ If the measure amends the Constitution, consider whether it really belongs in the Constitution. Would a statute accomplish the same purpose? All constitutional amendments require voter approval; what we put into the Constitution would have to come back to the ballot to be changed.
- ★ Be wary of distortion tactics and commercials that rely on image but tell nothing of substance about the measure. Beware of half truths.

Authorizes Bonds Continuing Stem Cell Research.

THE QUESTION: Should California sell \$5.5 billion in new bonds to continue funding grants for research and development of stem cell treatments?

THE SITUATION

In 2004 voters approved Proposition 71 which added a provision to the California Constitution allowing stem cell research. The measure also created the California Institute for Regenerative Medicine (“CIRM”) and allowed the State to sell \$3 billion in bonds to fund CIRM grants and operations. To date, the CIRM has awarded approximately \$2.7 billion in grants. Funded projects have included stem cell research, developing potential treatments for many diseases using stem cells and undertaking clinical trials for new potential treatments. Grant funds also have supported construction of new research facilities and research internships. Grant recipients who license or sell their inventions are required to share a portion of the income from these inventions with the State.

As of June 2020, almost all the funds from the sale of the bonds authorized by Prop 71 have been spent. Only approximately \$30 million remains available for grants and the CIRM needs additional funds to continue its operations and support for stem cell research.

THE PROPOSAL

Prop 14 would allow the State to sell \$5.5 billion in new bonds to continue the CIRM’s funding of stem cell and other medical research and training, stem cell therapy and delivery of treatments to patients, research facility construction and administrative expenses. Prop 14 also sets limits on the bond funds that can be used for administrative purposes and targets funding for research and treatment of certain diseases. \$1.5 billion is set aside to research and develop treatments for diseases affecting the brain and central nervous system, including Alzheimer’s and Parkinson’s disease, among others. It limits administrative costs to 7.5% of bond funds.

Prop 14 also provides for the phased sale of bonds over 11 years, or about \$540 million per year. Prop 14 also would make several changes to the CIRM and its governing board. The changes are intended to expand patient access to stem cell treatment.

FISCAL EFFECTS

Total costs are estimated at \$7.8 billion over a 30 year period, including \$5.5 billion in principal and \$2.3 billion in interest to repay bondholders. This would average about \$260 million per year. The State also is entitled to revenue from new inventions resulting from research or treatments funded by the CIRM. The future revenue source is uncertain. There could be indirect fiscal effects for some health care programs, such as Medical, but the net fiscal impact is unknown.

SUPPORTERS SAY

- ★ California’s stem cell funding has led to significant advances in treatments and cures for many diseases, including over 2,900 medical discoveries.
- ★ Prop 14 is supported by over 70 patient advocate organizations. It will increase patient access and affordable treatments and provide patients, their families and caregivers with financial assistance.
- ★ Prop 14 will contribute to the rebound of California’s economy. Funding to date has generated about \$10.7 billion in economic stimulus.

OPPONENTS SAY

- ★ California cannot afford the \$7.3 billion for Prop 14 bonds particularly in the middle of an economic crisis and repayment of the bonds will increase taxes.
- ★ Previous funding has not yielded the promised results for treatments or economic benefits. Private investors and companies have made great strides in stem cell research and cures.
- ★ Independent analysts and news outlets have questioned the management, integrity and transparency of the CIRM.

FOR MORE INFORMATION

Supporters: Californian’s for Stem Cell Research, Treatment & Cures

caforcures.com

Opponents: At press time there is no organized campaign committee.

More Information on Bonds

For more information on bonds, see page 14 of this guide.

Increases Funding for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property.

THE QUESTION: Should the California Constitution be amended so that most commercial and industrial property is reassessed on a regular basis?

THE SITUATION

Taxes based on the value of commercial and industrial property are a major source of funding for counties, cities, schools, and special districts. Each year a property owner pays a tax equal to the property's assessed value times the applicable tax rate. Proposition 13 limits property tax valuation and rates. The tax rate is capped at 1% of the assessed value plus smaller, voter-approved rates, to finance local infrastructure.

A property's market value is the value at which it could be sold today. A property is reassessed to market value when it is purchased or when ownership changes hands. After that, the assessed value can be increased by no more than 2% per year. Because the value of property has typically increased much faster than 2% per year, the assessed value of most property in the state is less than its market value. This is particularly true of commercial and industrial property, which changes ownership less often than residential property.

Each county's property tax receipts from the 1% tax are distributed to local governments and schools using a formula that has been in place for many years.

THE PROPOSAL

If passed, Proposition 15 would generally require that commercial property be reassessed to market value on a periodic basis. There would be no changes in the rules for reassessment of residential (both owner-occupied and rental) and farm property. If all of the property owned by a business has a fair market value of \$3 million or less, that property would continue to be assessed based on purchase price, as adjusted. Reassessment of commercial property would be phased in starting with the tax year 2022-2023.

Under Proposition 15, a small business would not pay any tax on personal property. A small business is defined as one having fewer than 50 employees. Other businesses would not pay taxes on the first \$500,000 of their personal property. Reassessment of commercial and industrial property to market value would increase the property taxes collected in each county. After paying for the costs of administering this measure and reimbursing the state for any loss of income tax

THE PROPOSAL (CONTINUED)

receipts, the balance of the additional revenue would be used to fund local governments and schools. The money for local governments (about 60% of the total) would be distributed according to the existing formula. The money for schools (about 40% of the total) would be deposited into a state fund and allocated among school districts generally using the same per-pupil funding formulas the State currently uses. This allocation would provide money over and above the current constitutional minimum funding requirement.

FISCAL EFFECTS

The Office of the Legislative Analyst of California estimates that Proposition 15 would produce about \$6.5 to \$11.5 billion per year in additional property tax revenues for local services. Of this amount approximately 60% would be distributed to local governments (\$3.9 - \$6.9B). The remainder (\$2.6 - \$4.6 B) would go to schools and community colleges.

SUPPORTERS SAY

- ★ Prop 15 provides billions in new revenue for our communities and schools.
- ★ 10% of the wealthiest businesses will provide more than 90% of the revenue.
- ★ Gives tax breaks to small businesses to help our economy grow.
- ★ Keeps Prop 13's protection for homeowners, renters, and farms.

OPPONENTS SAY

- ★ Prop 15 would trigger the largest property tax increase in California's history.
- ★ Additional costs will ultimately raise prices for consumers.
- ★ Will make it harder for people to start small businesses.
- ★ Will require huge cost to administer.

FOR MORE INFORMATION

Supporters: Schools and Communities First

Yes15.org

Opponents: Stop Higher Property Taxes and Save Prop 13

NoOnProp15.org

Proposition 15 and Proposition 19

Both Prop 15 and Prop 19 amend aspects of Constitution Article XIII A (Prop 13) but address different types of property—Prop 19 addresses primary residences, while Prop 15 addresses commercial and industrial property.

Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions.

THE QUESTION: Should California and local government entities be allowed to consider diversity as a factor in public employment, education, and contracting decisions?

THE SITUATION

The California and federal constitutions provide equal protection for all people, meaning that people in similar situations must be treated similarly.

Before 1996, California and local entities had policies and programs intended to increase opportunities and representation for people who faced inequalities as a result of their race, sex, color, ethnicity, or national origin, often called “affirmative action” programs. For example, some California public universities considered race and ethnicity as factors when making admissions decisions and offered programs to support the academic achievement of those students. There were also employment and recruitment policies intended to increase the hiring of people of color and women.

In 1996 California voters approved Prop 209, which generally banned the consideration of race, sex, color, ethnicity, or national origin in California public employment, public education, and public contracting. After voters approved Prop 209, the policies and programs described above were discontinued or modified unless they qualified for one of the exceptions. However, California and local entities can still consider race or sex when it is necessary as part of normal operations. For example, California and local entities may consider specified characteristics when it is required to receive federal funding, such as businesses owned by women and people of color.

After 1996 some public entities in California created or modified policies and programs to instead consider characteristics not banned by Prop 209. For example, many of California’s universities provide outreach and support programs for students who are first in their family to attend college. Also, when making admissions decisions, consideration may be given to where students attended high school and where they live when making admissions decisions. These policies and programs are ways to increase diversity without violating Prop 209.

THE PROPOSAL

If approved, Prop 16 would repeal the section of the

THE PROPOSAL (CONTINUED)

California Constitution introduced by Prop 209, thus eliminating the ban on the consideration of race, sex, color, ethnicity, or national origin in public education, public employment and public contracting. As a result, state and local entities could establish a wider range of policies and programs so long as they are consistent with federal and state law related to equal protection.

FISCAL EFFECTS

Prop 16 would have no direct fiscal effect on state and local entities because the measure would not require any change to current policies or programs. State and local entities could make any number of decisions about policies and programs that consider race, sex, color, ethnicity, or national origin. Because the specific choices state and local entities would make if voters approved this measure are unknown, the potential fiscal effects are highly uncertain.

SUPPORTERS SAY

- ★ Yes on Prop 16 means equal opportunities for all Californians.
- ★ Despite living in the most diverse state in the nation, women and people of color currently are still discriminated against.
- ★ We are at a historic moment and need to strengthen California by overturning discrimination in all areas.

OPPONENTS SAY

- ★ Approval of Prop 16 would be a step backward, introducing a new form of discrimination to favor politicians’ favorites.
- ★ Let’s not perpetuate the stereotype that minorities and women can’t make it unless they get special preferences.
- ★ Prop 16 will require costly bureaucracies to enforce its provisions, burdening taxpayers.

FOR MORE INFORMATION

Supporters: Vote Yes on 16.org

VoteYesOnProp16.org

Opponents: Keep Discrimination Illegal, No on Prop 16!

StopProp16.org

Choosing YES or NO on a Proposition

A YES vote means that you approve of the change a proposition would make, and a NO vote means that you want to leave things as they are now.

Restores Right to Vote After Completion of Prison Term.

THE QUESTION: Should people on parole in California be allowed to register to vote and vote in elections?

THE SITUATION

Currently, the California Constitution prohibits people in prison or on parole from voting. People who are in county jail or supervised by county probation are able to vote. This ballot measure would still prohibit people in prison from voting but would allow those on parole to vote. State parole generally supervises, for a period of time, those who serve a state prison term for serious or violent crimes. Currently, there are approximately 50,000 people on state parole.

THE PROPOSAL

Prop 17 amends the California Constitution to restore voting rights to persons who have been disqualified from voting while serving a prison term as soon as they complete their prison sentence. Those eligible to register to vote may also run for elective offices, if qualified. If passed, those on parole would be able to register to vote and participate in elections.

FISCAL EFFECTS

- ★ Potentially increases the number of people who can vote in elections, thus increasing the ongoing workload for county election officials. Annual costs would likely be in the hundreds of thousands of dollars statewide, administered at county levels. Actual costs depend on the number of people on state parole who choose to register to vote and the specific costs of providing them ballot materials.
- ★ Creates a one-time workload for the state to update voter registration systems to reflect that people on parole may register to vote, likely resulting in a one-time state cost in the hundreds of thousands of dollars. This amount is less than 1% of the state's current General Fund budget.

SUPPORTERS SAY

- ★ When people complete their prison sentences, they should be encouraged to reenter society and have a stake in their community. Restoring voting rights does that.
- ★ 19 other states allow people to vote once they have successfully completed their prison sentences. It's time for California to do the same.
- ★ Nearly 50,000 Californians who have completed their prison terms pay taxes at local, state and federal levels, yet are prohibited from voting at any level of government.

OPPONENTS SAY

- ★ Prop 17 will allow violent criminals to vote before completing their sentence, including parole.
- ★ Parole in California is for serious and violent criminals who have victimized innocent citizens. Giving people on parole social equality before full rehabilitation will add to victims' pain and suffering.
- ★ Parole is to prove rehabilitation before full liberty, including voting rights, is restored.

FOR MORE INFORMATION

Supporters: Free the Vote

YesOn17.vote

Opponents: At press time there is no organized campaign committee.

General Election • Tuesday, November 3, 2020
Voting locations open 7:00 a.m. to 8:00 p.m.

October 19
Last day to register to vote in this election

October 5 - November 3
Mailing period for Vote-by-Mail Ballots

(Request yours before the **October 27** deadline)

Permits 17-year-olds to Vote in Primary and Special Elections If They Will Turn 18 By the Next General Election.

THE QUESTION: Should 17-year-olds who will be 18 by a general election be allowed to vote in the primary and special elections in that election cycle?

THE SITUATION

In even-numbered years, California holds two statewide elections—the primary and the general election. In the primary election, voters determine which candidates will compete in the general election. In the general election, voters determine which candidates will win elective office. Statewide ballot measures may also be considered at both of these elections. In addition, there are special elections to fill vacancies, and local government elections to elect local office holders and consider local ballot measures.

In California, in order to vote, an individual must be at least 18 years old at the time of an election. A person may pre-register to vote at 16 years of age, and then they are automatically a registered voter when they turn 18 years old.

THE PROPOSAL

Prop 18 would allow certain 17-year-old citizens to vote. If a person is 17 years old and will be 18 years old by the next general election, they will be able to vote in the primary election and any special elections which occur prior to the next general election. Any registered voter may run for elective office, so such 17-year-olds could run for elective office if they meet all other existing eligibility requirements for such elective office.

FISCAL EFFECTS

Prop 18 would cost hundreds of thousands of dollars for counties across California every two-year election cycle to pay for the extra voting materials and time the election officials will need to be working. The State would have to provide hundreds of thousands of dollars in support for this idea, including updating voter registration systems. This is less than 1% of the state’s general funding budget.

SUPPORTERS SAY

- ★ Prop 18 will allow 17-18 year-olds to participate in a full election cycle.
- ★ It will boost the number of youth who actually vote.
- ★ 17 and 18 year-olds are heavily affected by policies so they should be able to vote on those policies.
- ★ When 17-year-olds can’t vote in the primary it discourages them from voting in the general when they are 18 because they didn’t pick the candidates that are on the ballot.
- ★ Encourages young people to be involved in the lifelong journey of voting -- one of the most essential factors in democracy.

OPPONENTS SAY

- ★ Allowing 17-year-olds to vote in primaries on tax issues and debt issuance is not right because they have not paid taxes--they will be biased by who influences them.
- ★ 17-year-olds are too young to vote and need more life experience before they are ready.
- ★ 17-year-olds’ brains are not fully developed in the logic and reasoning portion so they would just be making bad decisions.
- ★ Schools would persuade 17-year-olds to vote one side or the other by putting up posters or having teachers advocate for certain policies.
- ★ Only 18 other states allow 17-year-olds to vote.

FOR MORE INFORMATION

Supporters: At press time there is no organized campaign committee.

Opponents: At press time there is no organized campaign committee.

Who can vote?

You may register to vote in California if:

- ★ You are a U.S. citizen and California resident.
- ★ You will be at least 18 years old on election day.
- ★ You are not in prison or on parole for a felony.
- ★ You have not been judged mentally incompetent.

When must you re-register to vote?

You need to fill out a new voter registration form if:

- ★ You change your residence address or mailing address.
- ★ You change your name.
- ★ You want to change your political party affiliation.

If you registered and your name does not appear on the voter list at your voting location, you have a right to cast a provisional ballot at any polling place in your county.

CHANGES CERTAIN PROPERTY TAX RULES.

THE QUESTION: Should the California constitution be changed to modify the rules for transferring property tax assessed values and use any resulting new tax revenues for fire suppression efforts, schools, and local government?

THE SITUATION

Prop 13 set initial tax assessments on property values in 1975. Annual assessment increases are limited to two percent. Property taxes are limited to one percent of the assessed value plus any voter-approved local taxes. When a change in ownership occurs, the property is reassessed at its then current market value. The market value of most properties grows faster than two percent per year, leaving many properties taxed at a value below market price.

Some homeowners who are over the age of 55, have a severe disability, or whose property has been impacted by a natural disaster are allowed a once-in-a-lifetime transfer of the taxable value to a different home of equal or lesser value. Transfers must occur within two years. Ten county governments allow transfers of taxable value between counties.

Special inherited property rules allow some transfers without resetting the taxable value. When principal residences are inherited by adult children or between grandparents and grandchildren, the heirs inherit the original owner's lower property tax assessment.

THE PROPOSAL

Prop 19 would:

- ★ Allow eligible homeowners to transfer a property's taxable value to a more expensive home anywhere in the state, up to three times in a lifetime.
- ★ Still allow once-in-a-lifetime transfers for victims of wildfires and natural disasters.
- ★ Eliminate the transfer of taxable values of inherited properties, unless the properties are the heirs' principal residence or a farm.
- ★ Provide an upward tax assessment, adjusted for inflation after February 16, 2023, to owner-occupied inherited properties with a market value more than \$1 million greater than its taxable value.
- ★ Use increased state tax revenue from Prop 19 in statewide fire suppression efforts and reimbursement of counties' costs.

FISCAL EFFECTS

Revenue – The overall impact of Prop 19 would probably yield local governments and schools tens of millions of dollars per year. Over time, these revenue gains could grow to a few hundred million dollars per year. Transferring lower property tax bills to a different home could reduce some local property tax revenues; however, revenue increases overall are expected in the tens of millions of dollars per year, reaching a few hundred million dollars per year over time. Increased home sales could generate transfer tax and state income tax revenue expected in the tens of millions of dollars each year.

Costs – State administration costs are expected in the tens of millions of dollars each year. There could be some state cost savings where lower property taxes result in lower state-matched school funding. Savings would be applied to fire suppression efforts.

SUPPORTERS SAY

- ★ Prop 19 expands Prop 13 rules for homeowners who are seniors, wildfire victims or people with disabilities, allowing the transfer of their homes' property tax value to replacement homes anywhere in California.
- ★ It closes tax loopholes on inherited properties not used as primary residences, directing increased tax revenue to fire protection, schools, and local government.

OPPONENTS SAY

- ★ The California Constitution was amended three times to protect the right of families to pass their home and up to \$1 million of other property to their heirs without changing the Prop 13 tax assessment.
- ★ Reassessment to market value will force families to sell their property because they cannot afford higher property taxes.

FOR MORE INFORMATION

Supporters: Yes on 19 Tax Savings and Housing Relief for Seniors, Severely Disabled, and Wildfire Victims
[YesOn19.vote](https://www.yeson19.vote)

Opponents: At press time there is no organized campaign committee.

Proposition 15 and Proposition 19

Both Prop 15 and Prop 19 amend aspects of Constitution Article XIII A (Prop 13) but address different types of property—Prop 19 addresses primary residences, while Prop 15 addresses commercial and industrial property.

Restricts Parole for Certain Offenses Currently Considered to Be Nonviolent. Authorizes Felony Sentences for Certain Offenses Currently Treated Only as Misdemeanors.

THE QUESTION: Should California law be amended to make changes to the process by which people are charged with certain crimes and the process for granting them parole?

THE SITUATION

In the past decade, California has passed three measures—AB 109 (2011), Proposition 47 (2014), and Proposition 57 (2016)—intended to reduce the state prison population, as ordered in district court and upheld by the U.S. Supreme Court. AB 109 shifted people convicted of a variety of nonviolent felonies from state to local county jails (a change called realignment). Proposition 47 redefined certain nonviolent, non-serious felonies as misdemeanors unless the defendant had previous convictions for certain violent crimes, and it allowed resentencing for people convicted for the redefined offenses. Proposition 57 increased opportunities for parole for people convicted of nonviolent felonies who had completed the sentence for their primary offense.

Though these measures have brought the overall state prison population below 137.5% of capacity, as ordered by the Supreme Court, many individual prisons are still operating above that percentage.

THE PROPOSAL

Prop 20 would change various provisions of AB 109 and Props 47 and 57.

1. Certain theft and fraud offenses that were made misdemeanors by Prop 47 would become “wobblers,” meaning they could be charged as either misdemeanors or felonies, regardless of the value of the items stolen. It also would establish the categories of serial crime and organized retail crime, which also would be chargeable as wobblers.
2. Prop 20 requires the collection of DNA from people convicted for a variety of crimes, including some crimes that were redefined as misdemeanors by Prop 47.
3. Prop 20 creates a list of criteria for the Board of Parole Hearings to use in considering whether to grant parole to an inmate convicted of a nonviolent crime under the provisions of Prop 57. It would allow prosecutors to review information about the inmate and to review the Board’s decision, and it would allow victims’ families to participate in parole review.

THE PROPOSAL (CONTINUED)

4. Prop 20 expands the list of crimes classified as violent crimes in order to exclude those crimes from the provisions of Prop 57.
5. Prop 20 makes changes to the information provided to local officials when a person is released to supervision (parole or probation) and requires that counties request that parole or probation be revoked if someone violates the terms of post-release supervision for a third time.

FISCAL EFFECTS

Precise costs are difficult to estimate, but because it would result in an increase in the prison population and change the way post-release supervision is handled, Prop 20 would increase state and local costs by tens of millions of dollars annually.

SUPPORTERS SAY

- ★ Prop 20 reclassifies certain crimes, like assault with a deadly weapon, date rape, and child abuse, as violent.
- ★ Prop 20 would not increase the prison population; it would only ensure that people convicted of these crimes serve their full sentences.
- ★ Prop 20 will help stop car break-ins, shoplifting, and other theft that has been on the rise.

OPPONENTS SAY

- ★ Prop 20 will roll back prison reforms and cost taxpayers millions of dollars annually.
- ★ Prop 20 slashes mental health and rehabilitation programs that help to prepare people for release from prison and reduce repeat offenses.
- ★ Prop 20 will result in extreme sentences for petty theft and will disproportionately impact vulnerable minorities.

FOR MORE INFORMATION

Supporters: Yes 20 Protect Victims of Violent Crime
KeepCalSafe.org

Opponents: No on 20 Stop the Prison Spending Scam
NoProp20.vote

Choosing YES or NO on a Proposition

A YES vote means that you approve of the change a proposition would make, and a NO vote means that you want to leave things as they are now.

Expands Local Governments' Authority to Enact Rent Control on Residential Property.

THE QUESTION: Should current state law be changed to allow cities and counties to apply rent control to housing 15 years old or older and limit rent increases to 15% once a new renter moves in?

THE SITUATION

California renters typically pay 50 percent more for housing than renters in other states, sometimes more than twice as much. Rent is high here because housing demand greatly exceeds supply.

About one-fifth of Californians are subject to so-called "rent control laws" which limit how much their housing rent can increase annually. Courts have ruled that such laws must allow landlords to receive a "fair rate of return," meaning that landlords must be allowed to realize some profit each year.

Currently, a state law, known as the Costa-Hawkins Rental Housing Act (Costa-Hawkins), limits local rent control laws.

- ★ They cannot apply to any single-family homes.
- ★ They can never apply to newly built housing completed since early 1995.
- ★ They cannot say how much rent can be charged to a new renter moving in.

THE PROPOSAL

Prop 21 would reduce the limits on local rent control laws in Costa-Hawkins, so that cities and counties can apply rent control to more properties. Specifically, cities and counties would be able to apply rent control to all housing which is more than 15 years old, with the exception of single-family homes owned by landlords who own one or two properties. Additionally, cities and counties would be able to limit how much a landlord can increase rents when a new renter moves in--to increase rents by just up to 15 percent during the first three years after a new renter moves in.

Prop 21 would require that rent control laws allow landlords a fair rate of return (this would put past court rulings into the state law).

FISCAL EFFECTS

Economic Effects. If communities expand rent control laws, the most likely effects are:

- ★ Some landlords would sell their rental housing to new owners who would live there.
- ★ The value of rental housing would decline.
- ★ Some landlords would receive less rental income.
- ★ Some renters would move less often.

FISCAL EFFECTS (CONTINUED)

The overall effects would depend on how many communities pass new laws, how many properties are covered, and how much rents are limited.

State and Local Revenues. Overall, Prop 21 likely would reduce state and local revenues over time, particularly property taxes. A decline in the value of rental properties would reduce property tax payments over time, only partially offset by higher property tax payments resulting from the sales of rental housing. Renters paying less rent would use some of their savings to buy taxable goods, increasing sales taxes. The overall effect on state income tax revenue is not clear.

Increased Local Government Costs. If cities or counties create new rent control laws or expand existing ones, local rent boards would have increased costs. Depending on local government choices, these costs could range from very little to tens of millions of dollars per year, likely offset by fees charged to owners of rental housing.

SUPPORTERS SAY

- ★ Even small increases in rent forces more families into homelessness, a burden on the entire community.
- ★ Many seniors and veterans presently are left with too few resources for food, medical care, and other needs.
- ★ Prop 21 guarantees landlords a reasonable profit.

OPPONENTS SAY

- ★ More than 60% of Californians rejected this type of scheme in 2018.
- ★ Rent control results in less available and less affordable housing.
- ★ Prop 21 will stop new housing from being built, cost jobs, and hurt the economic recovery.

FOR MORE INFORMATION

Supporters: Renters and Homeowners United to Keep Families in Their Homes

YesOn21CA.org

Opponents: Californians for Responsible Housing

NoOnProp21.vote

Vote Requirement for State Propositions

Any state proposition passes if more than 50 percent of the votes cast on that proposition are YES.

Exempts App-based Transportation and Delivery Companies from Providing Employee Benefits to Certain Drivers.

THE QUESTION: Should app-based rideshare and delivery drivers be classified as independent contractors (not employees) and should rideshare and delivery companies be required to adopt labor and wage policies unique to these drivers?

THE SITUATION

Rideshare and delivery companies allow customers to hire rides or have food delivered using a phone app. Between 800,000 and 950,000 Californians provide rides or deliveries each year. Drivers choose when and where to work, but provide their own vehicle and cover vehicle expenses. Most drivers work part-time and make between \$11 and \$16 per hour.

Rideshare and delivery companies hire drivers as independent contractors: people who do work for a business but are not employees. Independent contractors are not entitled to legal protections and benefits required for employees—including minimum wage, overtime, unemployment insurance, and workers' compensation.

In 2019 lawmakers passed AB 5, limiting the ability of companies to hire workers as independent contractors. Under AB 5, rideshare and delivery drivers are classified as employees rather than independent contractors. Rideshare and delivery companies must provide employee protections and benefits to drivers. The state Attorney General sued two rideshare companies after the companies continued to hire drivers as independent contractors.

THE PROPOSAL

Prop 22 would reclassify app-based drivers as independent contractors, not employees, unless a company: sets a driver's hours, requires drivers to accept certain rides or deliveries, or restricts working for other companies. Drivers would not receive employee benefits and protections—including minimum wage, overtime, unemployment insurance, and workers' compensation.

Instead, this proposition would require companies to provide the following benefits to drivers:

- ★ **Minimum Compensation:** Prop 22 would require app-based companies to pay at least 120 percent of the minimum wage for each hour spent driving.
- ★ **Healthcare Subsidy:** The measure would require rideshare and delivery companies to provide a health insurance stipend to drivers.
- ★ **Medical Expenses:** The measure would require rideshare and delivery companies to buy insurance to cover medical expenses when a driver is injured while driving.
- ★ **Rest Policy:** The measure would restrict drivers from working more than 12 hours a day for a rideshare or delivery company.

THE PROPOSAL (CONTINUED)

- ★ **Other Requirements:** This measure would prohibit workplace discrimination and require that companies develop sexual harassment policies, conduct criminal background checks, and mandate safety training for drivers.

Prop 22 would also prevent local jurisdictions from setting their own rules for rideshare and delivery companies, such as setting a higher minimum compensation.

FISCAL EFFECTS

- ★ **Lower Costs and Higher Profits for Rideshare and Delivery Companies:** Companies would not have to pay the costs of providing employee protections and benefits that are currently required under AB 5 and could afford to charge lower fares and fees, increasing the company's profit.
- ★ **Drivers and Stockholders Would Pay More Income Taxes:** Because rides and orders would increase, drivers would earn more income. State income taxes paid by drivers would increase. Because companies would earn higher profits, Californians who own company stock may earn higher income and pay more in income tax.
- ★ The amount of increased state personal income tax paid by drivers and stockholders is unknown, but likely minor.

SUPPORTERS SAY

- ★ Classifying drivers as employees as required under AB 5 would lead to longer wait times, higher prices, and less access to rideshare and delivery services.
- ★ Like AB 5, Prop 22 would improve delivery and rideshare work by requiring companies to provide new benefits and expand public safety protections.

OPPONENTS SAY

- ★ Prop 22 would eliminate basic workplace protections and replace them with lower guaranteed earnings and healthcare subsidies to save costs for the company.
- ★ Current law does not limit driver flexibility. A majority of drivers work 30 or more hours per week.

FOR MORE INFORMATION

Supporters: Protect App-Based Drivers & Services

VoteYesProp22.com

Opponents: Coalition to Protect Riders and Drivers

CALaborFed.org

Establishes State Requirements For Kidney Dialysis Clinics. Requires On-site Medical Professional.

THE QUESTION: Should outpatient dialysis clinics be required to have a physician on site at all hours when patients are being treated, offer the same level of care to all patients regardless of insurance, and report infection-related information?

THE SITUATION

People suffering from End-Stage Renal Disease, the final stage of kidney disease, must receive dialysis to survive. Dialysis filters out waste and toxins from blood. It is typically done in a chronic dialysis clinic three times a week with each treatment lasting up to four hours. To address patients' needs, clinics often operate six days a week for extended hours. These clinics are licensed by the California Department of Public Health using federal certification standards, which have limited requirements about staffing hours or ratios.

Approximately 600 licensed clinics operate in California. The majority of the clinics are owned and run by one of two private for-profit companies. Estimated annual revenue of the private companies is \$3 billion. Most dialysis is paid for by Medicare and Medi-Cal. These government programs pay a fixed rate established by regulation and close to the average cost of treatment. Private insurance also covers dialysis with payment rates fixed by negotiation with the providers. On average those rates are multiple times higher than those paid by the government programs.

THE PROPOSAL

Prop 23 says that clinics must:

- ★ Have at least one licensed physician on site during all hours when patients are receiving treatment. An exemption may be granted if no qualified physician is available but a nurse practitioner or physician assistant is on site.
- ★ Offer the same level of care to all patients regardless of whether treatment is paid for by private insurance or a government program.
- ★ Report more information about infections among their patients to the state health department, with penalties for non-reporting.
- ★ Notify and obtain consent from the state health department before closing or reducing services

FISCAL EFFECTS

Prop 23 could increase costs for clinics because a licensed physician would have to be present during all treatment hours. This could average several hundred thousand dollars per year per clinic. The new data-reporting requirement would not significantly increase costs.

Prop 23 could increase healthcare costs to state and local governments if clinics negotiate higher reimbursement rates or if some clinics close and patients have to receive treatment at more expensive facilities. These costs are estimated to be in the low tens of millions of dollars annually.

SUPPORTERS SAY

- ★ Patients should have access to a physician on site whenever dialysis treatment is being provided.
- ★ Proper reporting and transparency of infection rates encourages clinics to improve quality.
- ★ Strong protections should be provided to vulnerable patients when clinics close.

OPPONENTS SAY

- ★ Prop 23 would force community dialysis clinics to cut services or close, putting lives at risk.
- ★ Prop 23 would make our physician shortage worse and lead to more overcrowding in emergency rooms.
- ★ Dialysis clinics are already strictly regulated and provide high-quality care.

FOR MORE INFORMATION

Supporters: Californians for Kidney Dialysis Patient Protection

YesOnProp23.com

Opponents: Stop the Dangerous & Costly Dialysis Proposition

NoProp23.com

Looking for more information on the propositions?

Official Voter Information Guide

VoterGuide.sos.ca.gov

Read nonpartisan analysis, arguments for and against, and even the full text of the proposed law.

Voter's Edge

VotersEdge.org

Type in your address for comprehensive information about everything on your ballot.
Look up who is giving money to the YES and NO campaigns.

Amends Consumer Privacy Laws.

THE QUESTION: Shall an existing law from 2018, the California Consumer Privacy Act, be amended to increase penalties on companies that fail to follow regulations; to allow consumers more easily to opt in and out of sharing their data; changes criteria for which businesses need to comply; and to create a new enforcement arm that would cost about \$10 million annually?

THE SITUATION

With increased technology, there is concern that powerful interests know too much about users, and we don't know what they are doing with that data. The Consumer Privacy Act of 2018 brought consumers protections, especially in helping them identify what kind of data were being collected on them. The current act affects businesses which (a) earn more than \$25 million in annual revenue; (b) buy, sell or share data from 50,000 individuals, devices, or households; or (c) earn 50 percent or more of their annual revenues from selling personal data. These businesses must notify customers of data collection, comply with personal data privacy rights and not treat customers differently for not selling their data. They can be fined for each violation of these requirements.

THE PROPOSAL

Prop 24 would change the following:

- ★ Categories of businesses affected. Prop 24 would remove the "device count" in the current act and raise the threshold so that only businesses that buy, sell, or share data from 100,000 individuals or households are subject to the rules.
- ★ Consumer privacy rights. Consumers could direct businesses not to use their personal data for purposes other than the delivery of the actual services those consumers were buying. They could also ask for corrections in that data.
- ★ Higher penalties and less room to cure. Violation of a minor's privacy rights could mean a fine of \$7,500 (triple the current one). Where the current law gives a grace period of 30 days to fix privacy violations or instate the security measures whose absence enabled a data breach, Prop 24 would mandate immediate penalties.
- ★ Create a new agency. Prop 24 would create a new California Privacy Protection Agency, which would take over some enforcement functions from the Department of Justice.

FISCAL EFFECTS

Prop 24 would provide about \$10 million annually from our state's General Fund, adjusted over time, to finance the new California Privacy Protection Agency. Overall state costs to the DOJ and trial courts probably wouldn't exceed the low millions annually. Fines from new violations might offset these costs. Impacts on business and tax revenues are hazier: regulation can depress tax revenues by cutting into profits in the first place; but data breaches are costly, and it's hard to know how many breaches would be prevented if new regulations forced businesses to protect their customers' data better.

SUPPORTERS SAY

- ★ Prop 24 would prevent businesses from using or sharing sensitive data about your health, finances, race, ethnicity, and precise location.
- ★ It would strengthen existing protections by establishing a new California Privacy Protection Agency with \$10 million a year.
- ★ By virtue of being a ballot initiative, it is less vulnerable to watering down through the pressure that lobbyists put on legislators.

OPPONENTS SAY

- ★ Prop 24 puts the burden on consumers to opt out of countless intrusive data-collection practices, one by one, that companies are currently barred from, by default.
- ★ Hidden economic discrimination persists: people without money to spend cannot pay for "loyalty programs" and can expect worse connections, slower downloads, and more pop-up ads.
- ★ Prop 24 would allow employers to keep gathering data about things like employees' pregnancies, religion, or political activism.

FOR MORE INFORMATION

Supporters: Californians for Consumer Privacy

CAPrivacy.org

Opponents: No on Prop 24

Media-Alliance.org

Required Number of Signatures to Get an Initiative on the Ballot

The number of signatures is based on a percentage of the total votes cast for governor at the last election; 5% for an initiative statute and 8% for an initiative constitutional amendment.

For the November 2020 election, the number of signatures required to get an initiative statute on the ballot was 623,212 and the number required for an initiative constitutional amendment was 997,139.

Referendum on Law That Replaced Money Bail with System Based on Public Safety and Flight Risk.

THE QUESTION: Should the law enacted by the California Legislature to replace the current money bail system be approved?

THE SITUATION

In 2018, the Legislature passed SB10, which would do away with the money bail system so that people arrested or arraigned in court might not have to post bail in order to stay free pending their trial. SB10 did not go into effect because this referendum was filed.

Currently, the State Constitution provides that people arrested and placed in county jail have the right to release before their trial. The trial courts must consider the (1) seriousness of the crime involved, (2) person's prior criminal record, and (3) likelihood of the person appearing at court for the trial.

In some instances, a person can be released from jail before trial just on his/her promise to appear at the trial. In other instances, the person must provide a financial guarantee that he/she will appear. In those cases, the person can put up their own assets as the financial guarantee, to be returned when he/she shows up at the trial. Or the person can arrange for a bail insurance policy to provide the financial guarantee. Bail insurance companies charge non-refundable fees to provide these financial guarantees.

THE PROPOSAL

Prop 25 would allow SB10 to go into effect. SB10 would eliminate the cash bail system. The legislation would replace the cash bail system with risk assessments to determine whether a detained suspect should be released before their trial. To do this, the state would create a system of risk assessments which 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 kept in jail. In some cases, many people suspected of misdemeanors would be automatically released.

FISCAL EFFECTS

Prop 25 would impact both state and local costs, but how much is uncertain and would depend on how it would be interpreted and implemented. The new release process would increase the workload for state trial courts, district attorneys and public defenders. These costs could be in the mid hundreds of millions of dollars annually. On the other hand, there could be reduced jail costs if fewer people are being held in jail or for shorter time periods.

SUPPORTERS SAY

- ★ The current system favors rich defendants who can easily make bail and keeps poor defendants and defendants of color in jail.
- ★ People who are eventually found not guilty or not even charged may be stuck with large debts to pay off the bail or the fees.

OPPONENTS SAY

- ★ The intentions of SB10 are good, but its provisions may effectively result in more people being jailed than under the current situation.
- ★ Prop 25 will cost taxpayers hundreds of millions of dollars a year, overburdening courts and creating a new bureaucracy.

FOR MORE INFORMATION

Supporters: Yes on Prop 25, a coalition of justice reform and labor organizations

YesOnCAProp25.com

Opponents: Californians Against the Reckless Bail Scheme
StopProp25.com

Choosing Yes or No on a Referendum

Proposition 25 on this page is a Referendum.

A referendum asks whether you want to approve or reject a law passed by the legislature.

A YES vote means that you approve the law, and a NO vote means that you reject the law.



Find answers to all of your questions about voting

Visit our website, CAvotes.org, to:

- Learn more about the ballot measures and voter registration
- See a list of local Leagues
- Sign up and become a member, and to donate or volunteer



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General Election



Tuesday, November 3, 2020

Polls open from 7:00 a.m. to 8:00 p.m.

October 19

Last day to [register](#) to vote

October 27

Last day to request a
Vote-by-Mail ballot

About Bonds

Proposition 14 on the November election ballot is a bond issue. This proposition was placed on the ballot by voters. Below is background information regarding the state's current bond debt, as well as the impact that approval of Proposition 14 could have on the amount of debt and on the State's annual budget.

What Are Bonds? Bonds are a form of long-term borrowing that the state uses to raise money for infrastructure projects. The state sells bonds to investors and agrees to repay the investors, with interest, according to a specified schedule.

Why Are Bonds Used? Projects such as roads, educational facilities, prisons, parks, office buildings, and housing for veterans involve large dollar costs, and are used over many years. The use of bonds helps to fund the initial large dollar costs, which would be hard to fund out of day-to-day operating revenues. Also, the repayment of these bonds over time means that future taxpayers who benefit from the facilities will help to pay for them.

What Types of Bonds Does the State Sell? General Obligation Bonds are the most significant type of bonds and are largely repaid from the state's General Fund which is supported primarily by income and sales tax revenues. These bonds must be approved by the voters, and their repayment is effectively guaranteed by the state. The bonds proposed in Proposition 14 are general obligation bonds.

There are also **Revenue Bonds**, repaid from a designated revenue stream—such as bridge tolls—and **Lease-Revenue Bonds**, repaid from lease payments by state agencies using the leased facilities. Neither type requires voter approval, nor is their repayment guaranteed by the state.

What Are the Direct Costs of Bond Financing? The state must repay the principal amount of the bonds, plus interest, over time to the investors until the bonds are fully paid off. The interest cost of repaying bonds depends primarily on the current interest rate and on the time period over which the bonds have to be repaid. It is expected that the \$5.5 billion in new bonds proposed by Proposition 14 would be sold over an 11-year period and that the bonds will be repaid over 30 years. Based on those figures the annual cost to the State will be about \$260 million per year over the next 30 years.

Amount of General Fund Debt. The state has about \$80 billion of General Fund-supported bonds on which it is making principal and interest payments. In addition, the voters and the Legislature have approved about \$38 billion of General Fund-supported bonds that have not yet been sold. Most of these bonds are expected to be sold in the coming years as additional projects need funding. In 2019-20, the General Fund's bond repayments total close to \$7 billion.

This Election's Impact on the Amount of State Revenues Used to Repay Debt. One indicator of the state's debt burden is the portion of the state's annual general revenues that must be set aside to make yearly payments on the debt, called "debt service ratio" (DSR). The DSR is now around 4% of annual General Fund revenues. If voters approve Proposition 14, it is estimated that the DSR will increase by about one-fifth of a percentage point compared to what it would otherwise have been over the next couple of years.