

## NOVEMBER 2010 BALLOT: NINE PROPOSITIONS

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The following description of the nine November 2010 Ballot Propositions includes a summary of the Legislative Analyst's estimate of net State and Local Government Fiscal Impact (full background and discussion by the Legislative Analyst's Office, California's Nonpartisan Fiscal and Policy Advisor, can be found at [www.lao.ca.gov/laoapp/ballot\\_source/Propositions.aspx](http://www.lao.ca.gov/laoapp/ballot_source/Propositions.aspx).)

### **Proposition 19:** **Changes California Law to Legalize Marijuana and Allow It to Be Regulated and Taxed.** Initiative Statute.

#### **Yes/No Statement**

A **YES** vote on this measure means: Individuals age 21 or older could, under state law, possess and cultivate limited amounts of marijuana for personal use. In addition, the state and local governments could authorize, regulate, and tax commercial marijuana-related activities under certain conditions. These activities would remain illegal under federal law.

A **NO** vote on this measure means: The possession and cultivation of marijuana for personal use and commercial marijuana-related activities would remain illegal under state law, unless allowed under the state's existing medical marijuana law.

- **Fiscal Impact:** Depending on federal, state, and local government actions, potential increased tax and fee revenues in the hundreds of millions of dollars annually and potential correctional savings of several tens of millions of dollars annually.

### **Proposition 20:** **Redistricting of Congressional Districts.** Initiative Constitutional Amendment

A **YES** vote on this measure means: The responsibility to determine the boundaries of California's districts in the U.S. House of Representatives would be moved to the Citizens Redistricting Commission, a commission established by Proposition 11 in 2008. (Proposition 27 on this ballot also concerns redistricting issues. If both Proposition 20 and Proposition 27 are approved by voters, the proposition receiving the greater number of "yes" votes would be the only one to go into effect.)

A **NO** vote on this measure means: The responsibility to determine the boundaries of California's districts in the U.S. House of Representatives would remain with the Legislature.

This measure takes the responsibility to determine boundaries for California's congressional districts away from the State Legislature. Instead, the commission recently established by voters to draw district boundaries of state offices would determine the boundaries of congressional districts.

- **Fiscal Impact:** No significant net change in state redistricting costs.

**Proposition 21:**

**Establishes \$18 Annual Vehicle License Surcharge to Help Fund State Parks and Wildlife Programs and Grants Free Admission to All State Parks to Surcharged Vehicles.** Initiative Statute

A **YES** vote on this measure means: An \$18 annual surcharge would be added to the amount paid when a person registers a motor vehicle. The surcharge revenues would be used to provide funding for state park and wildlife conservation programs. Vehicles subject to the surcharge would have free admission and parking at all state parks.

A **NO** vote on this measure means: State park and wildlife conservation programs would continue to be funded through existing state and local funding sources. Admission and parking fees could continue to be charged for vehicles entering state parks.

- **Fiscal Impact:** Annual increase to state revenues of \$500 million from surcharge on vehicle registrations. After offsetting some existing funding sources, these revenues would provide at least \$250 million more annually for state parks and wildlife conservation.

**Proposition 22:**

**Prohibits the State from Taking Funds Used for Transportation or Local Government Projects and Services.** Initiative Constitutional Amendment

A **YES** vote on this measure means: The state's authority to use or redirect state fuel tax and local property tax revenues would be significantly restricted.

A **NO** vote on this measure means: The state's current authority over state fuel tax and local property tax revenues would not be affected.

- **Fiscal Impact:** Decreased state General Fund spending and/or increased state revenues, probably in the range of \$1 billion to several billions of dollars annually. Comparable increases in funding for state and local transportation programs and local redevelopment.

**Proposition 23:**

**Suspends Air Pollution Control Laws Requiring Major Polluters to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming Until Unemployment Drops Below Specified Level for Full Year.** Initiative Statute

A **YES** vote on this measure means: Certain existing and proposed regulations authorized under state law ("Assembly Bill 32") to address global warming would be suspended. These regulations would remain suspended until the state unemployment rate drops to 5.5 percent or lower for one year.

A **NO** vote on this measure means: The state could continue to implement the measures authorized under Assembly Bill 32 to address global warming.

- **Fiscal Impact:** Likely modest net increase in overall economic activity in the state from suspension of greenhouse gases regulatory activity, resulting in a potentially significant net increase in state and local revenues.

**Proposition 24:**

**Repeals Recent Legislation That Would Allow Businesses to Carry Back Losses, Share Tax Credits, and Use a Sales-Based Income Calculation to Lower Taxable Income.** Initiative Statute

A **YES** vote on this measure means: Three business tax provisions will return to what they were before 2008 and 2009 law changes. As a result: (1) a business will be less able to deduct losses in one year against income in other years, (2) a multistate business will have its California income determined by a calculation using three factors, and (3) a business will not be able to share tax credits with related businesses.

A **NO** vote on this measure means: Three business tax provisions that were recently changed will not be affected. As a result of maintaining current law: (1) a business will be able to deduct losses in one year against income in more situations, (2) most multistate businesses could choose to have their California income determined based only on a single sales factor, and (3) a business will be able to share its tax credits with related businesses.

- **Fiscal Impact:** Increased state revenues of about \$1.3 billion each year by 2012–13 from higher taxes paid by some businesses. Smaller increases in 2010–11 and 2011–12.

**Proposition 25:**

**Changes Legislative Vote Requirement to Pass a Budget from Two-Thirds to a Simple Majority. Retains Two-Thirds Vote Requirement for Taxes.** Initiative Constitutional Amendment

A **YES** vote on this measure means: The Legislature's vote requirement to send the annual budget bill to the Governor would be lowered from two-thirds to a majority of each house of the Legislature.

A **NO** vote on this measure means: The Legislature's vote requirement to send an annual budget bill to the Governor would remain unchanged at two-thirds of each house of the Legislature.

- **Fiscal Impact:** In some years, the contents of the state budget could be changed due to the lower legislative vote requirement in this measure. The extent of changes would depend on the Legislature's future actions.

**Proposition 26:**

**Increases Legislative Vote Requirement to Two-Thirds for State Levies and Charges. Imposes Additional Requirement for Voters to Approve Local Levies and Charges with Limited Exceptions.** Initiative Constitutional Amendment

A **YES** vote on this measure means: The definition of taxes would be broadened to include many payments currently considered to be fees or charges. As a result, more state and local proposals to increase revenues would require approval by two-thirds of each house of the Legislature or by local voters.

A **NO** vote on this measure means: Current constitutional requirements regarding fees and taxes would not be changed.

- **Fiscal Impact:** Depending on decisions by governing bodies and voters, decreased state and local government revenues and spending (up to billions of dollars annually). Increased transportation spending and state General Fund costs (\$1 billion annually).

**Proposition 27:**

**Eliminates State Commission on Redistricting. Consolidates Authority for Redistricting with Elected Representatives.** Initiative Constitutional Amendment and Statute

A **YES** vote on this measure means: The responsibility to determine the boundaries of State Legislature and Board of Equalization districts would be returned to the Legislature. The Citizens Redistricting Commission, established by Proposition 11 in 2008 to perform this function, would be eliminated. (Proposition 20 on this ballot also concerns redistricting issues. If both Proposition 27 and Proposition 20 are approved by voters, the proposition receiving the greater number of “yes” votes would be the only one to go into effect.)

A **NO** vote on this measure means: The responsibility to determine the boundaries of Legislature and Board of Equalization districts would remain with the Citizens Redistricting Commission.

This measure returns the responsibility to determine district boundaries of state offices back to the Legislature. Under this measure, the commission recently established by voters to determine these district boundaries would be eliminated.

- **Fiscal Impact:** Possible reduction of state redistricting costs of around \$1 million over the next year. Likely reduction of these costs of a few million dollars once every ten years beginning in 2020.

**Proposition 18: Water bond** (Bond Measure (SBx7 2. (Chapter 3, 2009), Cogdill. **Safe, Clean, and Reliable Drinking Water Supply Act of 2010**

**This measure which originally qualified for November 2010 Ballot was moved to the November 2012 Ballot**