

Overview of November Ballot Measures

Following are brief summaries of the measures that will appear on the November 6 General Election ballot. When the California Chamber of Commerce has taken a position, the reasons for that position are summarized.

The CalChamber encourages employers to share this information with their employees. Businesses are within their

rights to do so—just remember: NO PAYCHECK STUFFERS, no coercion, no rewarding or punishing employees (or threatening to do so) for their political activities or beliefs.

For more guidelines on political communications to employees, see the brochure at www.calchamber.com/guidelines. Note the distinction between

internal communications (to employees, stockholders and their families) and communications to *external* audiences (such as nonstockholder retirees, outside vendors, customers and passersby).

For more information on the ballot measures, see the links listed below or visit the website of the Secretary of State at www.sos.ca.gov.

Proposition 1



Authorizes Bonds to Fund Specified Housing Assistance Programs. Legislative Statute.

Authorizes \$4 billion in general obligation bonds for existing affordable housing programs for low-income residents, veterans, farmworkers, manufactured and mobile homes, infill and transit-oriented housing.

Placed on Ballot by: SB 3 (Beall; D-San Jose), Chapter 365, Statutes of 2017.

CalChamber Position: Support

Reasons for Position

Proposition 1 will provide much-needed housing, allowing California to leverage federal tax credits and bonds. There will be no cost to the state's General Fund because the CalVet loan program is self-supporting; the bonds are repaid by CalVet loan holders through paying principal and interest on their loans.

More Information

www.vetsandaffordablehousingact.org

Proposition 2



Authorizes Bonds to Fund Existing Housing Program for Individuals with Mental Illness. Legislative Statute.

Amends the Mental Health Services Act to fund No Place Like Home Program, which finances housing for individuals with mental illness. Ratifies existing law establishing the No Place Like Home Program.

Placed on Ballot by: AB 1827 (Committee on Budget), Chapter 41, Statutes of 2018.

CalChamber Position: Support

Reasons for Position

Proposition 2 will enable the state to use funding long earmarked for specialized types of mental health and housing services to build housing and keep mental health services in reach for people. Under the No Place Like Home Program, 20,000 permanent supportive housing units will be built, allowing coordinated care of mental health and substance use services, medical care, case managers, education and job training to help people get the treatment and housing stability they need.

More Information

www.CAyesonprop2.org

Proposition 3



Authorizes Bonds to Fund Projects for Water Supply and Quality, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage. Initiative Statute.

Authorizes \$8.877 billion in state general obligation bonds for various infrastructure projects and funds improvements to water safety and quality, watershed and fisheries, habitat protection programs, water conveyance, groundwater sustainability and storage, and surface water storage and dam repairs.

Placed on Ballot by: Petition signatures.

CalChamber Position: Support.
CalChamber President and CEO Allan Zaremborg is quoted in the ballot arguments supporting Proposition 3.

Reasons for Position

California’s environment and economy rely on a clean and reliable water supply. Proposition 3 will provide critical funding that will help create sustainable water management in the state. Bond proceeds will go toward: providing major funding for watershed improvements and better management practices that will improve water quality and supply; safe drinking and wastewater treatment for disadvantaged communities; stabilizing groundwater levels in overdrafted groundwater basins; funding for recycling wastewater; funding for leak detection, toilet replacement and landscape conversion; and repairing the Oroville Dam spillway.

More Information

<https://waterbond.org/>

Proposition 4



Authorizes Bonds Funding Construction at Hospitals Providing Children’s Health Care. Initiative Statute.

Authorizes \$1.5 billion in general obligation bonds, to be repaid from state’s General Fund, to fund grants for construction, expansion, renovation, and equipping of qualifying children’s hospitals.

Placed on Ballot by: Petition signatures.

CalChamber Position: Support

Reasons for Position

California children’s hospitals provide

critical care to children with significant medical needs and it is not possible to set aside money for infrastructure with the current payer mix. Previous bonds enabled the hospitals to build new patient towers that meet 2030 seismic standards and buy new equipment, including medical records systems and new medical technology. Proposition 4 will help the 13 regional children’s hospitals meet growing demand for services and update technology.

More Information

www.YesOnProposition4.org

Proposition 5



Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property. Initiative Constitutional Amendment and Statute.

Allows people over 55 years old, severely disabled homeowners and owners of contaminated or disaster-destroyed property to sell their homes, move and transfer their property tax basis to the replacement residence.

Placed on Ballot by: Petition signatures.

CalChamber Position: Support

Reasons for Position

California is facing a massive housing shortage and needs at least 100,000

additional new units a year to meet demand. Proposition 5 could help ease the shortage by freeing up modest-priced and move-up housing for young families. Seniors, who often are on a fixed income, fear they will not be able to afford a big property tax increase if they sell their existing home and buy another one, discouraging them from ever moving. As a result of this “moving penalty,” almost three-quarters of homeowners 55 and older haven’t moved since 2000. The Legislative Analyst’s Office estimates the initiative would increase home sales in the tens of thousands per year.

More Information

www.voteyesonprop5.com

Proposition 6



Eliminates Certain Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees Be Approved by the Electorate. Initiative Constitutional Amendment.

Repeals a 2017 transportation law's taxes and fees designated for road repairs and public transportation.

Placed on Ballot by: Petition signatures.

CalChamber Position: Oppose

Reasons for Position

The Legislative Analyst estimates the measure would reduce spending on state and local transportation projects by nearly \$5 billion annually. Repealing the gas tax would stop transportation improvement projects already underway in every community in California, eliminating funds already flowing to

every city and county to fix potholes, make safety improvements, ease traffic congestion, upgrade bridges, and improve public transportation.

Passage of Proposition 6 also will make traffic congestion worse, cost drivers and taxpayers more money in the long run, and hurt job creation and the state's economy. The average driver spends \$739 per year on front end alignments, body damage, shocks, tires and other repairs because of bad roads and bridges. Fixing a road costs eight times more than maintaining it. Proposition 6 would eliminate more than 680,000 good-paying jobs and nearly \$183 billion in economic growth that will be created fixing California roads over the next decade.

More Information

www.NoProp6.com

Proposition 7

NO POSITION

Conforms California Daylight Saving Time to Federal Law. Allows Legislature to Change Daylight Saving Time Period. Legislative Statute.

Gives Legislature ability to change Daylight Saving Time period by two-thirds vote, if changes are consistent with federal law.

Placed on Ballot by: AB 807 (Chu; D-San Jose), Chapter 60, Statutes of 2018.

CalChamber Position: No Position

Ballot Arguments For

Proposition 7 will end the biannual time changes that medical researchers and economists agree are hazardous to the health and productivity of school children, the workforce and seniors.

Ballot Arguments Against

Proposition 7 allows for permanent Daylight Saving Time, subject to federal approval. It would be light in the evening in the summer, as it is now, but winter mornings would be dark for an extra hour so children would be going to school in the dark.

Proposition 8



Regulates Amounts Outpatient Kidney Dialysis Clinics Charge for Dialysis Treatment. Initiative Statute.

Limits amounts outpatient kidney dialysis clinics may charge for patient care and imposes penalties for excessive charges.

Placed on Ballot by: Petition signatures.

CalChamber Position: Oppose

Reasons for Position

The CalChamber opposes arbitrary government price controls that do not account for the actual cost of care.

Proposition 8 sets a dangerous precedent to apply arbitrary government price controls to other health care providers and businesses. Moreover, the measure could increase costs by shifting treatment from a dialysis clinic to more expensive venues, such as emergency rooms or hospitals. It also could jeopardize the financial viability of clinics, which could lead to closures, thereby reducing patient access to critical care.

More Information

www.NoProp8.com

Proposition 9

Three States Initiative.

Removed from ballot on 7/18/18 by order of California Supreme Court.

CalChamber Position: Oppose

Proposition 10



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

Repeals state law that currently restricts the scope of rent control policies that cities and other local jurisdictions may impose on residential property.

Cities with stringent forms of rent control, such as San Francisco and Santa Monica, have lost large numbers of rental units as a result of rent control. Owners of rental housing subject to rent control are more likely to convert their properties to condos or other forms of ownership housing. This results in fewer homes being available for rent and more being available for purchase.

Placed on Ballot by: Petition signatures.

Rental property owners would not be able to afford to adequately maintain their buildings. According to the LAO, "By depressing rents, rent control policies reduce the income received by owners of rental housing. In response, property owners may attempt to cut back their operating costs by forgoing maintenance and repairs. Over time, this can result in a decline in the overall quality of a community's housing stock."

CalChamber Position: Oppose

Reasons for Position

Removing the limitations on locally enacted rent control laws could discourage new construction, decrease the supply of rental housing and reduce the quality of housing available in communities statewide.

In a 2016 report, the Legislative Analyst's Office (LAO) concluded that "Rent control will do nothing to increase our supply of affordable housing and, in fact, likely would discourage new construction."

More Information

www.noprop10.org

Proposition 11

NO POSITION

Requires Private-Sector Emergency Ambulance Employees to Remain On-Call During Work Breaks. Eliminates Certain Employer Liability. Initiative Statute.

Makes labor laws entitling hourly employees to take meal and rest breaks without being on-call not apply to private-sector ambulance employees. Exempts employers from potential liability for violations of existing law regarding work breaks. Requires all meal periods be paid, regardless of if they are or are not interrupted.

Ballot Arguments For

California faces disasters too often. Proposition 11 ensures emergency medical technicians are paid to be reachable during breaks to save lives, gives them better disaster training that meets Federal Emergency Management Agency standards and mandatory mental health coverage. In an emergency, seconds make the difference between life and death. Yes on Proposition 11 is common sense.

Placed on Ballot by: Petition signatures.

More Information

www.Yeson11.org

CalChamber Position: No Position.

Ballot Arguments Against

No argument against Proposition 11 was submitted.

Proposition 12

NO POSITION

Establishes New Standards for Confinement of Specified Farm Animals. Bans Sale of Noncomplying Products. Initiative Statute.

Establishes minimum space requirements for confining certain farm animals. Bans the sale of meat and eggs from calves raised for veal, breeding pigs, and egg-laying hens confined in spaces below a specific number of square feet.

Placed on Ballot by: Petition signatures.

CalChamber Position: No Position

Ballot Arguments For

Confining a baby veal calf, other pig or egg-laying hen inside a tiny cage is cruel. Products from these suffering animals threaten food safety. Proposition 12 endorsers include nearly 500 California veterinarians, American Society for the

Prevention of Cruelty to Animals, Humane Society for the United States, California family farmers and animal shelters, Center for Food Safety.

More Information

www.preventcrueltyca.com

Ballot Arguments Against

Proposition 12 is a reckless exploitation of California’s initiative process that not only harms farm animals, but also puts in grave danger a wide array of existing consumer, animal, and environmental protection laws. The measure is an outrageous sell-out to the egg industry and betrays animals and voters. Californians already voted to ban cages by 2015. This measure legalizes cages until at least 2022.

More Information

www.NoOnProposition12.org

CalChamber Positions on November 2018 Ballot Measures

Proposition	Subject	Position
Proposition 1	Veterans Housing Bond	Support
Proposition 2	Housing and Services for Individuals with Mental Illness	Support
Proposition 3	Bond Funding for Water Supply/Quality, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage Projects	Support
Proposition 4	Children’s Hospitals Construction Bonds	Support
Proposition 5	Property Tax Base Transfer for Replacement Property	Support
Proposition 6	Eliminates Road Repair and Transportation Funding	Oppose
Proposition 7	Conforms California Daylight Saving Time to Federal Law	No Position
Proposition 8	Regulates Amounts Outpatient Kidney Dialysis Clinics Charge for Dialysis Treatment.	Oppose
Proposition 9	Three States Initiative – Removed from ballot on 7/18/18 by order of California Supreme Court.	Oppose
Proposition 10	Expands Local Governments’ Authority to Enact Rent Control on Residential Property.	Oppose
Proposition 11	Requires Private-Sector Emergency Ambulance Employees to Remain On-Call During Work Breaks.	No Position
Proposition 12	New Standards for Confinement of Specified Farm Animals	No Position